

**THE EU CONSTITUTION AND U.S.-EU RELATIONS:
THE RECENT REFERENDA IN FRANCE AND THE
NETHERLANDS AND THE U.S.-EU SUMMIT**

HEARING
BEFORE THE
SUBCOMMITTEE ON EUROPE AND
EMERGING THREATS
OF THE
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**THE EU CONSTITUTION AND U.S.-EU
RELATIONS: THE RECENT REFERENDA
IN FRANCE AND THE NETHERLANDS
AND THE U.S.-EU SUMMIT**

WEDNESDAY, JUNE 22, 2005

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EUROPE AND EMERGING THREATS,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC.

The Subcommittee met, pursuant to call, at 2:45 p.m. in room 2172, Rayburn House Office Building, Hon. Elton Gallegly (Chairman of the Subcommittee) presiding.

Mr. GALLEGLY. Call to order the Subcommittee on Europe and Emerging Threats. Today, the Subcommittee on Europe and Emerging Threats is holding a hearing on the EU Constitution and U.S.-EU relations after the recent referenda in France and the Netherlands and the U.S.-EU Summit.

French and Dutch voters rejected the EU Constitution in national referenda on May 29th in France, and June 1st in the Netherlands. Following these "No"-votes, the status of the EU Constitution and the future of the European Union has been thrown into question. Commentators have suggested that these votes were a result of a variety of factors, including the threat to traditional social protections by changing economic circumstances, the democratic disconnect between the EU institutional bureaucracy and the general public, and continued EU enlargement, especially relating to Turkey. Others have suggested that the referenda results should only be attributed to voter dissatisfaction with unpopular national governments and policies.

These difficulties with ratifying the EU Constitution are calling into question the further integration and expansion of the EU. There are debates about whether the ratification process should continue. There is speculation that further integration may be reassessed, or even reconfigured. Many European officials have suggested that it may be necessary to slow the pace of EU enlargement. However, others would argue that the prospect of EU membership has been the most effective means of maintaining stability in volatile regions, such as Southeastern Europe, and freezing further enlargement could undercut one of Europe's great strategic accomplishments.

At the U.S.-EU Summit on Monday, President Bush stated:

“The United States continues to support a strong European Union as a partner in spreading freedom and democracy, and security, and prosperity throughout the world.”

President Bush was the first United States President to conduct meetings with the institutions of the European Union in Brussels, in February of this year. When he travels to Scotland next month for the Group of 8 Summit, Mr. Bush will make his fourth visit to Europe in the past 6 months. It is clear that the President wants a strong European partner.

At the U.S.-EU Summit on Monday, European leaders sought to reassure the President that the recent constitutional turmoil would not stop the EU from playing a strong role on important issues such as Iraq, Iran, the Middle East peace process and counterterrorism.

Considering all these issues, and all that has happened in the past month, the Subcommittee has invited our two distinguished witnesses, Ambassador Conzemius and Ambassador Bruton, to discuss these developments and to perhaps shed some light on what we expect the future may hold.

I look forward to hearing from our two guests, the two Ambassadors, but before we turn to our witnesses I would yield such time as he may consume to the gentleman from Florida, my good friend, the Ranking Member, Mr. Wexler.

[The prepared statement of Mr. Gallegly follows:]

PREPARED STATEMENT OF THE HONORABLE ELTON GALLEGLY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA, AND CHAIRMAN, SUBCOMMITTEE ON EUROPE AND EMERGING THREATS

Today, the Subcommittee on Europe and Emerging Threats is holding a hearing on the EU Constitution and U.S.-EU relations after the recent referenda in France and the Netherlands and the U.S.-EU Summit.

French and Dutch voters rejected the EU Constitution in national referenda on May 29th in France and June 1st in the Netherlands. Following these “NO”-votes, the status of the EU Constitution and the future of the European Union have been thrown into question. Commentators have suggested that these votes were the result of a variety of factors, including the threat to traditional social protections by changing economic circumstances, the democratic disconnect between the EU institutional bureaucracy and the general public, and continued EU enlargement—especially relating to Turkey. Others have suggested that the referenda results should only be attributed to voter dissatisfaction with unpopular national governments and policies.

These difficulties with ratifying the EU constitution are calling into question the further integration and expansion of the EU. There are debates about whether the ratification process should continue. There is speculation that further integration may be reassessed, or even reconfigured. Many European officials have suggested that it may be necessary to slow the pace of EU enlargement. However, others would argue that the prospect of EU membership has been the most effective means of maintaining stability in volatile regions such as southeastern Europe, and freezing further enlargement could undercut one of Europe’s great strategic accomplishments.

At the U.S.-EU Summit on Monday, President Bush stated (and I quote): “The United States continues to support a strong European Union as a partner in spreading freedom and democracy, and security, and prosperity throughout the world.” President Bush was the first U.S. President to conduct meetings with the institution of the European Union in Brussels, in February of this year. When he travels to Scotland next month for the Group of Eight summit, Mr. Bush will be making his fourth visit to Europe in the past six months. It is clear that the President wants a strong European partner.

At the U.S.-EU Summit on Monday, European leaders sought to reassure the President that the recent constitutional turmoil would not stop the EU from playing

a strong role on important issues such as Iraq, Iran, the Middle East peace process and counterterrorism.

Considering all of these issues, and all that has happened in the past month, the Subcommittee has invited our two distinguished witnesses, Ambassador Conzemius and Ambassador Bruton, to discuss these developments, and to perhaps shed some light on what they expect the future may hold.

I look forward to hearing from our two guests, the two Ambassadors, and I will now turn to Mr. Wexler for any remarks he may wish to make.

Mr. WEXLER. Thank you, Mr. Chairman, thank you to the witnesses.

It is safe to say that the EU is experiencing its most significant political crisis in decades following the French and Dutch “No”-votes. While I do not believe, as some naysayers suggest, that the EU is in any way unraveling, the failed referendums and the collapse, to a degree, of last week’s summit in Brussels have revealed cracks in the foundation of the EU and exposed a major disconnect between the EU as an institution and European citizenry.

Under the upcoming British Presidency of the EU starting in July, member states will attempt to hammer out the EU’s 2007 to 2013 budget, address the future of the Constitution and decide on further enlargement.

I am particularly concerned that EU expansion will fall victim to the ongoing constitutional crisis. Halting the enlargement process is contrary to the interest of the European Union and, I would argue, to the United States, sends the wrong signal to those nations whose entire political, judicial and economic reform efforts are based on the possibility of accession.

As a force for democracy, the European Union is a bastion of hope to many nations and people who aspire to greater prosperity and freedom. Imagine what Europe would look like today if Brussels had closed the door to those seven member states who, for almost half a century, were imprisoned behind the Iron Curtain.

It is critical that the European Union maintain its commitment to those countries on the track for EU membership including Bulgaria, Romania, Croatia and Turkey. Bulgarian and Romanian accession to the European Union should continue on schedule for 2007 membership. And I respectfully urge that the European Union should continue its plan to open accession negotiations with Turkey as scheduled in October.

As for American and European Union relations, there are some in Washington who suggest that the United States may be better off with a Europe that is in political disarray and a weakened EU. I believe nothing could be further from the truth. Since the end of World War II, America’s most important political, economic and defensive alliance has been with our European allies. I share President Bush’s sentiments that America wants a “strong EU” that has “common values and shared aspirations” with the United States.

Today, America and the European Union share the largest trade and investment relationship in the world, exceeding \$1.3 trillion in 2004, which I believe represents about 50 percent of the world’s trade. Imagine that, just between the United States and Europe. It is the equivalent of half of the world’s trade.

I strongly believe we need a new trans-Atlantic dialogue which advocates closer economic, political and military cooperation. To this end, the United States must again assure our European allies

that we support unequivocally the goal of a stronger EU that, despite its current difficulties, must look outward rather than inward.

In closing Mr. Chairman, I would just like to highlight what I felt was a very interesting article which came out in the *International Herald* by Mortimer Sellers, a University of Maryland professor. The title of which was "Reach Out, America." He had a number of very interesting points. At the end of the article, he talked about how the first step of greater European-American unity ought to be a North Atlantic Trade Organization. He talked about broadening NATO, because NATO has a degree of credibility like no other institution, into fields such as commerce and education. And that America ought to use what occurred in those referendum votes as an opportunity to reassess not the differences between Europe and the United States, but the commonalities and to think in the biggest of terms and to create even greater commitment between the United States and Europe toward the values that we share. And I will stop at that, Mr. Chairman. Thank you.

[The prepared statement of Mr. Wexler follows:]

PREPARED STATEMENT OF THE HONORABLE ROBERT WEXLER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

I want to thank Chairman Gallegly for holding today's hearing on the European Union Constitution and US-EU relations. I also want to thank Ambassador Bruton and Ambassador Conzemius for testifying today—both do an extraordinary job in representing the EU's interests in Washington.

Mr. Chairman it is safe to say that the EU is experiencing its most significant political crisis in decades following the recent French and Dutch "No" votes opposing ratification of the constitutional treaty. While I do not believe, as some naysayers suggest, that the EU is unraveling, the failed referendums and collapse of last weeks summit in Brussels have revealed cracks in the foundation of the EU and exposed a major disconnect between the EU and European citizenry.

Under the upcoming British Presidency of the EU starting in July, member states will attempt to hammer out the EU's 2007-2013 budget, address the future of the Constitution and decide on further enlargement.

I am particularly concerned that EU expansion will fall victim to the ongoing constitutional crisis. Halting the enlargement process is contrary to the interest of the EU and sends the wrong signal to those nations' whose entire political, judicial and economic reform efforts are based on the possibility of accession.

Additionally as a force for democracy the EU is a bastion of hope to many nations who aspire to bring greater prosperity and freedom to their people. Imagine what Europe would be like today if Brussels had closed the door to those seven member states who for almost a half century were imprisoned behind the Iron curtain.

It is critical that the EU maintain its commitment to those countries on the track for EU membership including Bulgaria, Romania, Croatia and Turkey. Bulgarian and Romanian accession to the EU should continue on schedule for 2007 membership, and I urge Brussels to open accession negotiations with Turkey on time in October.

As for US-EU relations, there are some in Washington who suggests that the America is better off with a Europe in political disarray and a weakened EU—nothing could be further from the truth. Since the end of World War II, America's most important political, economic and defensive alliance has been with our European allies. I share President Bush's sentiments that America wants a "strong EU" that has "common values and shared aspirations" and will work with us to spread greater democracy and freedom to the world.

For over fifty years America and our transatlantic allies under the umbrella of NATO, OSCE and EU have worked side by side defeating the scourge of communism and fostering a stable, prosperous and democratic continent. Today America and the EU share the largest trade and investment relationship in the world exceeding \$1.3 trillion in 2004—representing 50 percent of the worlds' trade.

While there may be significant differences at times, there is much more that unites America and Europe than separates us—including shared values and a mutual respect for democracy and human rights. I strongly believe we need a new transatlantic dialogue, which advocates closer economic, political and military co-

operation. To this end, America must again assure our European allies that we support unequivocally the goal of a stronger EU that despite its current difficulties must look outward rather than inward.

Mr. GALLEGLY. Thanks to the gentleman from Florida. At this time, I would like to introduce our witnesses for today's hearing. Our first witness is Ambassador Arlette Conzemius representing the Presidency of the European Union. Luxembourg assumed the Presidency of the EU on January 1st of this year and will hold the EU Presidency until July 1st. Ambassador Conzemius presented her credentials as Ambassador of Luxembourg to the United States on September 10, 1998. She also serves as her country's Ambassador to Canada, as well as Mexico.

Our second witness is Ambassador John Bruton, representing the European Commission. Ambassador Bruton presented his credentials as Head of Delegation of the EU Commission in the United States on December 9, 2004. Ambassador Bruton is the former Prime Minister of Ireland from 1994 to 1997, and he has also presided over the Irish Presidency of the EU in 1996.

I want to welcome both of the Ambassadors here today. I look forward to your opening statements. The microphone is yours, Ambassador Conzemius.

**STATEMENT OF HER EXCELLENCY ARLETTE CONZEMIUS,
AMBASSADOR OF LUXEMBOURG**

Ambassador CONZEMIUS. Mr. Chairman and Members of the Subcommittee, I am very pleased to be here today with my distinguished colleague, Ambassador John Bruton, who represents the European Commission to discuss the situation in Europe after the votes on the Constitution and also, the trans-Atlantic relations after the EU-U.S. Summit that just took place last Monday.

First of all, I would like to thank you for the very nice words of support that you gave to Europe and your belief in a strong Europe. I think we appreciate that very much. Of course, since the referenda in France on May 19th and 29th, and in Netherlands on June 1st, the European integration process has known certain setbacks and the failure to reach an agreement on the budget has added to the feeling that Europe is going through a crisis. So I would like to assure you, Mr. Chairman, that as the Prime Minister of Luxembourg also said last Monday: "The European Union is not down on its knees." While we have an institutional and a budgetary crisis, this does not mean that we will become introspective and only concern ourselves with our own domestic problems. The European Union is ready to fully take up its role on the international scene and to make all the necessary decisions internally and externally.

The fact that we have postponed the adoption of the Constitution doesn't mean that the EU suddenly stopped working. We certainly still have existing treaties that allow us to work, now, as before. The EU still has major responsibilities ensuring security and stability on its own continent, Europe, but also in the world. The constitutional treaty is not dead.

Last week, we had a meeting of the European Council where all our leaders came together in Brussels on June 16 and 17, and the leaders reaffirmed the validity of the treaty. It is the fruit of a col-

lective process designed to provide the appropriate responses to ensure that an enlarged European Union functions more democratically, more transparently, and more effectively. Actually, Luxembourg has just decided that we will maintain our own referendum on the Constitution as was scheduled and it will take place on the 10th of July. So I think this is to show that we still believe that this treaty is valid.

In their meeting last week, the European leaders noted that 10 member states have already successfully concluded constitutional treaties. Of course, it is true that two other countries' citizens—France and the Netherlands—have expressed a negative vote. So, the outcome of these referenda does not call into question the citizens' attachment to the European projects, but governments. Of course, we must take into account the concerns and the worries that have been expressed. That is why the European leaders decided that it was necessary to reflect on the situation and allow for more time for the ratification process. This period of reflection will be used to enable a broad dialogue and debate to take place in every country involving citizens, civil society, social partners, national parliaments and political parties. It is true that there is a certain distance between citizens and governments and now, Europe must pay more attention to what citizens are saying.

There is a big question, of course, concerning the impact on the enlargement. Although I don't have a definite answer, I think we know there have been quick calls for a slowdown or even a stop on the enlargement process of the European Union. While we need to think about the impact on the European public opinion of last year's big enlargement, when 10 new member states joined the EU, we also have to think about the importance of the enlargement. As we said earlier, I think it is a real contribution to peace and prosperity on our continent. And we should certainly respect the commitments that we have made to a number of countries. The European Council reaffirmed those commitments last week.

We have Romania and Bulgaria who have already signed the treaty of accession last April, and are trying to fulfill their obligations in order to join the EU by 2007. Accession negotiations with Croatia and Turkey will start once the two countries meet all the requirements. The western Balkans; all of those countries have the perspective of eventual EU membership, and it is very important to those countries.

Progress toward the EU for all the acceding and candidate countries will, of course, depend on how and when those countries deliver on their commitments. We already have clear evidence of progress. The best way to reassure the European public is to stick to the conditions for membership and to show that future members will not disrupt the European Union but reinforce it.

Let me now turn to the trans-Atlantic relationship. The summit that just took place last Monday is the best illustration of our common willingness to work together on the global threats and challenges that we are facing. As you already mentioned, President Bush clearly reaffirmed his Administration's support for a strong European partner and he said it again last Monday. He said that the United States continues to support a strong European Union as a strong partner in spreading freedom, democracy and security

throughout the world. The President, in fact, confirmed the message that he had already given to us last February when he came to Brussels and paid his first ever visit to the European institutions. I think it was a very important message and we appreciate this support.

The last summit, last Monday, addressed a number of concrete issues on our common strategic agenda. In the Middle East, Iraq, and Afghanistan, we share the same objectives of promoting democracy and supporting freedom, the rule of law, and human rights. Even today with Iraq we are holding an international conference, co-hosted by the EU and the United States to show international support for the Iraqi transitional Government, its institutions, and the Iraqi people as they take charge of their future. The decision to hold this conference, was made in February when President Bush went to Brussels.

The EU and United States work together to promote peace, stability, sustainable development and prosperity, and good governance in Africa. And they will cooperate with the U.N., the African Union and NATO to avert further suffering in Darfur. A range of issues were mentioned during the summit. I would just mention the reform of the United Nations and the strengthening of international proliferation and disarmament. Just to mention one example on Iran, the United States and the EU reaffirmed a united approach with the objective of preventing that country from developing nuclear weapons. A number of other issues were discussed on trade, economy, and development. I am sure my colleague from the European Commission will also mention these. I think this really shows that we touched upon a broad range of issues and that our agenda is really very much alive.

So the summit came at a very good moment, I think, to reconfirm that our trans-Atlantic partnership works well and has been relaunched. We are working together on our agendas on the basis of our shared values and shared interests. So I think this was an excellent way to also show to the American public, to the Government, that the European Union is there as a strong and valid partner and that our domestic problems, they certainly exist, but they don't prevent us from being active and being a strong partner to the United States.

Thank you very much.

Mr. GALLEGLY. Thank you, Madam Ambassador.

[The prepared statement of Ambassador Conzemius follows:]

PREPARED STATEMENT OF HER EXCELLENCY ARLETTE CONZEMIUS, AMBASSADOR OF LUXEMBOURG

Mr. Chairman and members of the subcommittee, I am very pleased to be here today with Ambassador John Bruton representing the European Commission to discuss the situation in Europe after the votes on the constitution, and the transatlantic relations, after EU/US Summit.

Since the referenda in France, on May 29 and Netherlands, on June 1, the European integration process has known a setback. The failure to reach an agreement on the budget has added to the feeling that Europe is going through a crisis.

Let me assure you, as the Prime Minister of Luxembourg did on Monday, during his joint press conference with President Bush that the European Union is not down on its knees. While we have institutional and budgetary problems, this does not mean that we will become introspective and only concern ourselves with our own domestic problems. The European Union is ready to fully take up its role on the international scene and to make all the necessary decisions internally and exter-

nally. The fact that we have postponed the adoption of the constitution doesn't mean that the EU has suddenly stopped working. The existing treaties allow us to work now as before. The EU has major responsibilities in ensuring security and stability on its own continent and in the world.

The Constitutional Treaty is not dead. Last week, at the European Council in Brussels on June 16 and 17, the European leaders reaffirmed its validity. This Treaty is the fruit of a collective process, designed to provide the appropriate response to ensure that an enlarged European Union functions more democratically, more transparently and more effectively. Luxembourg has in fact decided to maintain its own referendum on the constitution and it will be held, as scheduled, on July 10th.

The European leaders noted that to date 10 members states have successfully concluded the Constitutional Treaty. But in two other countries, citizens have expressed a negative vote. While the outcome of these referenda does not call into question citizens' attachment to the European project, Governments must still take into account the concerns and worries that have been expressed. That is why the European leaders have decided that it was necessary to reflect on the situation and allow for more time for the ratification processes. This period of reflection will be used to enable a broad dialogue and debate to take place in each of our countries, involving citizens, civil society, social partners, national parliaments and political parties. Europe must pay more attention to what its citizens are saying.

How does the situation affect the *enlargement process*? There have been quick calls for a slowdown or even a stop to the enlargement process of the EU. We might need to think about the impact on the European public opinion of last year's big enlargement, when ten new members joined the Union. But we should not underestimate the importance of enlargement as a contribution to peace and prosperity on the European continent. We should respect the commitments made to a number of countries, as the European Council recalled during its meeting last week.

Romania and Bulgaria signed their treaty of accession last April and are trying to fulfil their obligations in order to join the EU by 2007. Accession negotiations with Croatia and Turkey will start once the two countries meet all the requirements. And the Western Balkans countries have the perspective of eventual EU membership.

Progress towards the EU for all the acceding and candidate countries will depend on how and when the countries deliver on their commitments. And we have clear evidence of progress. The best way to reassure the European public is to stick to the conditions for membership and show that future members will not disrupt the Union but reinforce it.

As far as *transatlantic relations* are concerned, the EU/US summit that took place last Monday is the best illustration of our common willingness to work together on the global threats and challenges that we are facing.

President Bush clearly reaffirmed his administration's support for a strong European partner. He said that "the United States continues to support a strong European Union as a partner in spreading freedom and democracy and security and prosperity throughout the world". The President thus confirmed the message that he gave to Europe last February when he paid a first ever visit to the European institutions.

The last EU/ US summit addressed a number of concrete issues on their common strategic agenda: In the Middle East, in Iraq, in Afghanistan, we share the same objectives of promoting democracy and supporting freedom, the rule of law and human rights. With Iraq, we are holding today an international conference, co-hosted by the EU and the US to show international support for Iraqi Transitional Government, its institutions, and the Iraqi people as they take charge of their future.

The EU and the US work together to promote peace, stability, sustainable development, prosperity and good governance in Africa. They will cooperate with the UN, AU and NATO to avert further suffering in Darfur.

The leaders expressed a strong commitment for a reformed United Nations with a balanced and ambitious outcome of the September High Level Meeting.

They will continue strengthen the international non-proliferation and disarmament regime and work in concert to prevent WMD and ballistic missile proliferation. On Iran, the US and EU will maintain their united approach, with the objective of preventing this country from developing nuclear weapons.

On trade and the economy, new initiatives have been launched to remove obstacles to trade and investment between the EU and the US to enhance growth, competitiveness and innovation, increasing integration of the transatlantic market. The leaders expressed continued support for the success of the Doha Development Round and decided to work together on promotion of energy efficiency and energy security

including in developing countries. They committed to protect Intellectual Property Rights fighting piracy and counterfeiting both at home and abroad.

They underlined their commitment to increased and more effective development assistance with a view to implementing fully the Millennium Development Goals.

The EU-US summit of June 20th confirmed that the transatlantic partnership has been re-launched. We are working together on our transatlantic and global agendas, on the basis of our shared values and shared interests.

Mr. GALLEGLY. Ambassador Bruton.

**STATEMENT OF HIS EXCELLENCY JOHN BRUTON, HEAD OF
DELEGATION, DELEGATION TO THE EUROPEAN COMMISSION**

Ambassador BRUTON. Mr. Chairman and Members of the Subcommittee, I am very pleased, indeed, to speak here with Ambassador Conzemius on behalf of the European Union at this important moment in the history of our Union, a Union that is now over 50 years old. I cannot stress strongly enough, Mr. Chairman, the fact that the "No"-votes to the Constitution in France and the Netherlands do not mean any reduction whatsoever in the powers of the European Union or the rights that citizens of European Union countries now enjoy. The Union still retains all its powers in trade, in the environment, in antitrust, in consumer protection and the rest.

Its two foreign policy chiefs, Javier Solana and Benita Ferrero-Waldner, remain in place. European Union citizens still enjoy the rights given to them in already ratified existing EU treaties to live, to work, and to do business in other European countries. To the extent that any EU country or part of an EU country attempts to deny them those rights, that country could find itself hauled before the European Court of Justice.

The European Union Constitution, were it adopted on time, would have consolidated all of those powers and rights in a single document rather than have them spread throughout a number of documents as they are at the moment. It would have made some additional changes in simplifying the voting procedures, in the Council of Ministers, in providing for more consultation with national parliaments of the 25 member states, in unifying foreign policy formation and in allowing majority voting in the Council of Ministers on cross-border crime rather than the unanimity that it obtains at the moment. The human rights content of the EU Constitution, although it would have been codified in the Constitution, is already, in fact, being enforced by the European Court of Justice and will continue so to be.

It is also important to say that the process of ratification of the Constitution, notwithstanding the two "No"-votes, will continue. That was the conclusion that the summit reached last week. The summit of the EU decided last week that the Constitution does represent the right answer to the problems posed for Europe's future and does not propose any renegotiation of the terms of the Constitution. But, of course, it remains the case that that Constitution cannot come into effect yet unless and until all 25 member states ratify it.

In fact, the main impact of the French and Dutch referenda will be psychological rather than legal. Undoubtedly, the confidence with which the European Union opened its doors to new members will be somewhat deflated in the short run. But it is important to

stress that the 25 EU heads of government meeting last week unanimously agreed that the future of the countries of the western Balkans—I use the words that they agreed to unanimously—“lies within the European Union.”

Legally speaking, nothing has changed. The European Union is still free to offer membership to new additional states, although it remains the case that each new admission must be approved by all 25 existing member states. Negotiations with Turkey will commence as planned in October of this year. But it is important, if I may, to set out the criteria which a country must fulfill to be admitted to membership of the European Union.

In 1993, in Copenhagen, it was then agreed that the criteria were as follows: They should include stability of institutions guaranteeing democracy, the rule of law, human rights and the protection of minorities, and the existence of a functioning market economy as well as the capacity to cope with the competitive pressures and market forces within the Union. These criteria are often quoted, and they have been extremely important as an incentive as both of you, Mr. Chairman and the Ranking Member, have pointed out in assisting the reform process in countries intending to become members of the Union. But there were other criteria that were also laid out in 1993, which are not as often quoted here in the United States or indeed in the European Union. These criteria require that attending EU members be willing to take part and to take on all the obligations of membership; including political, economic, and monetary union. Support for political union of Europe is thus an obligation of EU members' membership, for new as well as existing members.

The Copenhagen criteria went on to acknowledge that when a country joins the European Union, that affects both the country itself and the existing members. These criteria stated that in deciding on a particular country joining, the Union's capacity to absorb new members while maintaining the momentum of European integration, is also an important consideration. The important point I would like to stress here from these criteria are the commitments to political unity and to the continued momentum of European integration, which must not be disturbed by any new admission.

In terms of U.S.-EU relations, most of the things we want to achieve as Europeans we will most likely be able to achieve in the world and internally if we work together on those things with the United States. It is equally the case that most of the things that America wants to achieve in the world are most likely to be achieved if the United States is working together on them with the European Union. The world is better served in terms of prosperity, in terms of security and in terms of stability when America and the European Union work together.

President Bush has made it very clear that he is in favor of a strong Europe, a strong partner for the United States. We deeply appreciate the commitment that he has shown to the European Union at this particularly difficult time, and in particular, the last few days. I believe, sir, that the support that the President has shown for the European Union at this critical juncture will not be soon forgotten. It is in times of difficulty that one knows one's friends. I think that we have been shown great friendship by the

President of the United States and indeed on a bipartisan basis, by all representatives of the United States people in recent days.

In this moment of transition and difficulty for the European Union, a transition which we will successfully complete and a difficulty which we will have no doubt completely overcome, the outcome of the summit between the United States and the European Union is a concrete step forward. We agreed on an ambitious economic declaration. It is a step toward the goal of a barrier free trans-Atlantic market. We agreed to strengthen our consultation on regulatory cooperation, stimulating capital markets, promoting knowledge and innovation across the Atlantic, improving trade and security, and the protection of intellectual property rights, both within our own jurisdictions and in other jurisdictions in the world. And we agreed to work together toward the successful Doha development round.

The United States and the European Union, it is clear from the last few days, is growing together, not drifting apart.

Last but not means least, the summit that took place this week between the United States and the European Union reached a clear agreement to promote peace, stability and prosperity in Africa on the eve of the G-8 Summit. As the President of the European Commission pointed out, 25,000 people die every day, either from lack of proper food or lack of clean water. Some may accept this as unfortunate but natural.

There was a time when slavery was deemed to be unfortunate but natural. That was changed by political action in this House and in many other houses of legislation throughout the world. It is no longer accepted as natural or acceptable. So why should 25,000 people dying needlessly every day be accepted as unfortunate but natural?

If we have the will and harness the capability to tackle poverty, particularly in Africa, we will confine such avoidable deaths to history. We will make them something that our grandchildren will look upon with the same incredulity that we today look upon slavery. That is why that commitment that both the Administration here gave to increase the assistance to Africa, and also the commitment that the European Council gave to increase the average contribution that Europe is making to 0.5 percent, ⁵/₆ percent of our GDP by 2010, involving a very substantial increase in financial commitment, is a very important step forward, not just for Europe, not just for the United States, but for humanity.

Thank you.

Mr. GALLEGLY. Thank you very much, Ambassador Bruton.

[The prepared statement of Ambassador Bruton follows:]

PREPARED STATEMENT OF HIS EXCELLENCY JOHN BRUTON, HEAD OF DELEGATION,
DELEGATION TO THE EUROPEAN COMMISSION

Mr. Chairman, and members of the Subcommittee, I am most pleased to be here today with my colleague, Her Excellency, Arlette Conzemius, the Ambassador from Luxembourg, to discuss with you situation in the European Union regarding the recent outcomes of the French and Dutch referenda on the Treaty Establishing a Constitution for Europe, the outcome of the subsequent EU Summit held last weekend, and the over all effect of this on US-EU relations as seen in the results of the summit held on Monday of this week in Washington with the EU leadership and President Bush and his cabinet.

Let me first and foremost state that the results of the referenda on France and the Netherlands, contrary to some media coverage, have neither ended the European Union nor even brought an end to the ratification of the Constitutional Treaty. Europe remains open for business. The EU has the capacity to meet with success and failure and treat the two just the same.

I cannot stress this strongly enough, the French and Dutch 'No' votes do not mean any reduction whatsoever in the powers of the European Union or the rights Europeans now enjoy as citizens of the Union. The Union still retains all its powers in trade, the environment, anti-trust, consumer protection and the rest. Its two foreign policy chiefs, *Javier Solana* and *Benita Ferrero-Waldner*, remain in place. EU citizens still enjoy the rights given to them in already-ratified *EU treaties* to live, work and do business in other European countries; and to the extent that any EU country denies them those rights, that country may find itself hauled before the *European Court of Justice*.

The EU Constitution would have consolidated all those powers and rights in one document, but it did not create them anew because they are established by existing ratified treaties. The main changes that the EU Constitution would have brought about were in simplifying voting procedures, consulting national parliaments, unifying foreign policy formation and allowing majority voting on cross-border crime. The human rights provisions of the EU Constitution are already being enforced by the European Court of Justice but were to be codified in the Constitution.

However, the process of ratification will continue, that was the conclusion of the Council of Ministers which met in Brussels last week. After lengthy debate, the Council decided that the Constitutional Treaty is the right answer to many questions posed by people in Europe. There is no intention to undertake any renegotiation of the document. It is the culmination of the painstakingly achieved agreement of all 25 Member States. It is the outcome of an open Convention process that involved Government and opposition politicians of all member states. It is designed to provide the appropriate response to ensure that an enlarged European Union functions more democratically, more transparently and more effectively.

The main impact of the French and Netherlands 'No' votes will be psychological rather than legal. The confidence with which the European Union opened its doors during the 1990s to new Member States may be somewhat deflated in the short run. In the short term, that may have a negative impact. But it is important to stress that the 25 EU heads of Government unanimously agreed during their Summit in Brussels that the future of the countries of the *Western Balkans* "lies within the European Union". Legally speaking, nothing has changed. The EU is still free to offer membership to new additional states, although it remains as always the case that each new admission must be approved by all 25 existing Member States (or 27 counting Romania and Bulgaria from 2007).

In 1993 in Copenhagen, all then-Member States agreed unanimously on the *criteria* that new states would have to meet to join. These included "stability of institutions guaranteeing democracy, the rule of law, human rights and protection of minorities, the existence of a functioning market economy as well as the capacity to cope with competitive pressures and market forces within the Union". These criteria are often quoted, and their existence has been very helpful in pushing internal reform in would-be EU members.

But other criteria that were set out in Copenhagen are less often quoted, especially here in the United States. These require that intending EU members are willing to take on the obligations of membership "including political, economic and monetary union". Support for political union is thus an obligation of EU membership—for new as well as for existing members.

The Copenhagen criteria went on to acknowledge that when a country joins the EU, that affects both the country itself and the existing members. They stated that "The Union's capacity to absorb new members, while maintaining the momentum of European integration, is also an important consideration".

The important point I would like to stress from these criteria are the commitments to "political union" and to the continued "momentum of European integration". Of course these commitments apply to existing members as well as to new ones.

This extension allows the necessary time for reflection. This is in keeping with the decision not to renegotiate. There never existed a plan B, instead there now exists a plan D, where the D stands for democracy, dialogue and debate. This will mean time for broad debate, which would be used to generate interest in each member state. Clarification and discussion will make the difference. Also, the European institutions will also have to make their contribution, with the Commission playing a special role in this regard. The validity of continuing with the ratification process

cannot be denied but it will be left to each member state to be the master of its own timetable.

Neither the Constitutional nor the European project in general draws sufficiently on people's emotions in the way that the well established and vital rituals of American patriotism draw all Americans together. Europe must be a Union of hearts as well as heads. The project of peaceful, voluntary, European integration is actually every bit as ambitious, every bit as inspiring and every bit as worthy of sacrifice as is the inspiring American dream. European leaders have got to find a language that conveys that to high ideal their citizens.

Thus this pause for reflection can have a very positive outcome. Europe's citizens are better informed now than 50 years ago and they demand more from the political elite. Going to Europe's citizens and asking their opinion will make for a strong Europe, for a more united Europe achievable.

In terms of EU-US relations, most of the things we want to achieve as Europeans, we are most likely to be able to achieve when we are able to work together with the US on them. It is equally the case that most things America wants are more likely to be achieved if American can work with the European Union. The world is better served in terms of prosperity, in terms of security and in terms of stability when America and the European Union work together. President Bush is in favor of a strong Europe. Europe will only get stronger through cohesiveness and internal democracy, which is in America's interest.

The outcome of Monday's EU-US summit is a concrete step forward. We agreed on an ambitious Economic declaration. It is another step towards the goal of a barrier free transatlantic market. We agreed to strengthen our co-operation on regulatory co-operation, stimulating capital markets, knowledge and innovation, trade and security and protection of intellectual property rights. We also agreed to work towards an early and ambitious conclusion of the Doha Development Round.

So the EU and US economies are growing together, not drifting apart. We already operate as one single transatlantic economy. We co-operate in everything from crisis management to trade liberalization.

Last but by no means least, our unprecedented commitment reached at the Summit to promote peace, stability and prosperity in Africa on the eve of the G8 summit, is a genuine leap forward that couldn't have come at a better time. 25,000 people die every day from malnutrition or dirty water. Some may accept that as unfortunate but natural. There was a time when slavery was deemed unfortunate, but natural. That was changed by political action. It is no longer accepted as natural. So why should 25,000 people dying needlessly be avoided as natural? If we have the will, and harness the capability, to tackle poverty, we will confine all these needless deaths to history. We can make them something that our grandchildren work on with the same incredulity that we worked on slavery.

Over the past 55 years the United States and the European Union have built a strong transatlantic partnership based upon the common values of freedom, democracy, rule of law, human rights, security, and economic development and long will it continue.

Mr. GALLEGLY. You've mentioned in your statement several comments regarding the President's recent summit. How would you assess the public opinion in Europe toward the United States and President Bush? Are President Bush's efforts to reach out being covered in the European press and media? And if so, how is it being received?

Ambassador BRUTON. I think, Mr. Chairman, that President Bush's efforts—particularly in February, when, as Ambassador Conzemius pointed out, he visited the European Union institutions in Brussels and was the first President of the United States ever to do so, and his supportive words this week at the more recent summit—are appreciated by an increasing number of Europeans. They are especially appreciated, obviously, by Europe's leaders. But, I think, increasingly members of the public are seeing the President of the United States showing a practical commitment to the European idea. That is something that some of them, because of previous disagreements with some policy positions that he took, might not have expected to find. But they are finding it and they are seeing it. I think it is helping them to come to a new apprecia-

tion of the role that the President and the United States are playing.

That is not to gloss over the fact, of course, that there are differences with some policy positions that the Administration has taken, but I suppose there are even differences in this country on that matter.

Mr. GALLEGLY. Maybe even in this building.

Ambassador BRUTON. Possibly.

Mr. GALLEGLY. I appreciate your candor, Mr. Ambassador.

Ambassador Conzemius, the impact is uncertain regarding the status of the constitutional treaty on the further enlargement of the EU. First, could you give us your assessment on Bulgaria and Romania and second, on the prospects of the countries in the western Balkans, particularly with regard to Croatia and then perhaps a comment on Turkey?

That is a fairly long list. But if you give it your best shot.

Ambassador CONZEMIUS. Yes, certainly. The countries you mentioned first, Bulgaria and Romania, are in the position that they already signed treaties of accession. So they are really well advanced in the process. The plan is to accept them as full members in 2007. Of course, they still have commitments to fulfill. So I think it is very important for countries like Bulgaria and Romania to continue the hard work that they have been doing and that we have recognized. Then we, of course, hope to welcome them as soon as possible in January 2007.

The other countries you mentioned, we have not started negotiations with. These other countries that you mentioned, especially in the western Balkans, we have already decided that they belong in the European Union. We gave them this European perspective. I think it is a very strong incentive for these countries to work together, to develop regional cooperation, to work on their institutions and make sure that they are ready, and that they can fulfill all the criteria that my colleague, Ambassador Bruton, mentioned in his introduction. I think the Union wants to fulfill the commitments that we made to these countries. They have to, on their side, make sure that they are ready, and then things will certainly work out for them and for the European Union.

So, we certainly hope that we will be able to do this as soon as possible.

Mr. GALLEGLY. Ambassador Bruton, could you maybe express your thoughts, maybe more directed at perhaps Croatia and Turkey?

Ambassador BRUTON. Well, in the case of Croatia, there is an unresolved question in regard to bringing before the International Court in the Hague a particular individual. The Croatian Government says that they are doing the best they can to locate this individual. But there is not entire satisfaction in the international community and in the European Union that everyone in Croatia is doing everything that they can do, perhaps not the government. The Union is maintaining the position that until this matter is resolved, we cannot go further.

In the case of Turkey, the situation is that we have agreed to open negotiations with Turkey in October. At the end of negotiations, whenever that end of negotiation comes, of course, every one

of the existing members—probably will be 27 members at that stage—individually would have to agree that Turkey joins on the basis of the terms that are being negotiated. People forget that it is a requirement that every one of the individual countries must agree. If one recalls the fact that Britain, for example, could not join the European Union in the 1960s because one country, France, was not agreeable to Britain doing so, this reminds us that the fundamental rule in the European Union is that a new state cannot join unless all the existing states are happy with that.

So the expansion of the European Union is not perhaps as easy as was the expansion of the United States during the 19th century, where, on the other hand, there were some difficulties that had to be overcome, there had to be compromises of agreement reached, the Missouri Compromise and so forth to agree to meet to achieve enlargement. So the enlargement of the Union is not an easy or automatic process. But we are very conscious of the huge efforts that have been made by the Turkey Government, in particular by Prime Minister Erdogan, who was described at the summit by President Bush and by one of the Europeans, as “one of the greatest Turkish statesmen ever” for the contribution he has made to his country. It is the case that the prospect of European Union membership has been very helpful to him internally in that process.

Of course as I stressed in my opening remarks, at the end of the negotiation it will be both for Turkey and for the European countries to decide whether they are ready to come together in a political union, in a monetary union, in a union where there is a willingness of the minority to accept the rule of the majority. That is obviously something that we can only see in the concrete circumstances when negotiation is actually completed and in the actual context of that time. But the goal is membership and the negotiations toward that goal were started in October.

Mr. GALLEGLY. I know I have run past my time but, with Rob’s indulgence, I would like to go back just very quickly to Croatia. I had the opportunity to be in Croatia last week. It happened to be a personal trip on a family emergency. Of course, in my job, you never go anywhere that you don’t find yourself quitting on your other half for a few minutes when the opportunity presents itself in being in a country where you are dealing with issues that are important at home.

The issue you were referring to, it appears to me, that the Croatian people—and I think for that matter, the government—is aware that this is a serious matter that has to be addressed. It is no longer something that can just be sugarcoated and passed through with where they want to go without an honest effort on their part.

A perspective that I have had in talking to several people in Croatia is that while many view this individual as a national hero, as a result of what was happening in a very difficult time in the recent history of Croatia, I found almost unanimously the folks that I talked with still believe that the individual should have his day in court in the Hague and clear his name and move on.

It isn't like, "Oh, he is a hero and we should continue to protect him." I don't know if you are getting a little more of that now. That wasn't the feeling I had 6 or 8 months ago.

Ambassador BRUTON. I think you are right, Mr. Chairman. I think your assessment is entirely correct. Of course, all of us who have been involved in political or diplomatic life over the years will know that extradition to another country for a trial is an inherently difficult thing for a people and for the country who is doing the extraditing to accept.

We must understand that. I think we must also understand the historical background of the conflict that occurred in that part of the world. I think there is a need perhaps for people to be more educated in each of the countries, not so much about the crimes committed by their antagonists, but about the crimes committed in their own name. I think it is easy to see very clearly and condemn very eloquently, crimes committed by people of a different tradition or ethnicity than it is to accept that your own side occasionally does some terrible things too.

This is a process, no doubt, through which the Croatian people are going. It is not particularly easy for them. But on the other hand, the goal that is in sight for them is a very attractive one once this issue is resolved.

Mr. GALLEGLY. Thank you very much, Mr. Bruton. Thank you very much for your indulgence, Rob. We have a vote. We still have a few more witnesses and Ambassador Conzemius has a critical commitment that she has to leave for at 4 o'clock p.m. So whatever we can do.

The time is totally yours, Rob.

Mr. WEXLER. Thank you, I will be brief.

I would like to congratulate both witnesses for their extraordinary service for both their individual countries and the European Union.

If I may ask two things, to follow on the Chairman's comment regarding Turkey. I was in Turkey the week that the referendum came. I was pleasantly surprised by the reaction of the Turkish Government, which I think was entirely responsible. Essentially, the Turks' reaction was that they are undergoing the economic and the political reforms that they are choosing to implement because it is good for Turkey. They very much want to be a part of the European Union but nothing has changed.

I am curious if you believe the German elections, assuming they were to conclude with a change in government, would change the dynamic of the EU? I think from the perspective of most Americans, we would hope that it wouldn't. I would be curious to hear your thoughts.

Second, in many ways the confusion and the chaos within Europe couldn't have happened at a worse time. In the next year we will witness either positive or extremely negative occurrences in Iran regarding their nuclear program. We will either have a successful or an unsuccessful Israeli pullout from Gaza, which will lead either to greater prospects for peace or even more egregious prospects for violence. If you read some of the Israeli newspapers, people like former Prime Minister Barak to some people like the former chief of staff—there are predictions from very different political

ideologies—that once the Israelis pull out from Gaza they are headed toward a third Intifada. I am curious if you could share with us the European thought in this context.

There have been reports that at a very low level, Europe has engaged in some type of discussion. When I say Europe, low-level European officials have engaged in some discussion with representatives of Hamas. Tell us what the European strategy is and what their thinking is.

The Syrians have left Lebanon. The other half of the U.N. Resolution has disarmed Hezbollah. No way can we have a successful pullout from Gaza if what we leave behind is an emboldened Hamas. The Europeans and the United States are joined at the hip on both of these issues. If we succeed, we do it together. If we fail, we fail together. Where does Europe fall on this at this critical time in the context in what you are engaging in your internal discussions?

Ambassador CONZEMIUS. If I may, on the first word on Turkey. Of course enlargement of an important country such as Turkey is part of an important discussion we are having in our countries. It might become part of the discussion in Germany, but that doesn't change the fact that we have a commitment to this country. I think the right attitude was, as you described, the reaction in Turkey. They should really stick to their reforms and make sure that what they do is in their own interest, and it will be in the interest of the membership to the European Union. So I think we should really try to keep the line there.

On the view of the Middle East process, I think we share the view that it is an important moment in many parts of that area. It is also very important that we work together inside the concepts of the European Union, the United States and all parts, and make sure that the Gaza withdrawal is a success. We should really focus on that and make sure that we have success during the summer and the coming months. It is very critical.

You know, Lebanon has been a very good example of how we can work together to put pressure—and keep that pressure—to make sure that the 1559 Resolution is totally implemented. We have no change of position there. We really want a full implementation concerning withdrawal of all services from Syria and we hope that Hezbollah will also keep a position that will not disrupt the whole process.

Mr. GALLEGLY. We are kind of running on a very tight schedule now. Mr. Poe had one quick question. I want to make sure that we don't miss a vote. The voting schedule has made things difficult, both the start and the end today.

Mr. POE. Thank you, Mr. Chairman.

Very quickly, I will submit the question and if you could answer it, then we could make our vote, if that is all right with you, Mr. Chairman.

The French defeat of the EU Constitution; is that, in your opinion, a rise in French nationalism?

Second, is it a fear of loss of identity on the part of the French?

Third, is there a concern that the number of native French, if I could use that phrase, are becoming depleted in France with more immigrants coming into France?

Those are the three questions I have.

Mr. GALLEGLY. Mr. Ambassador.

Ambassador BRUTON. Thank you. Just to say, obviously, I think there is a national element to the "No"-votes. But I don't think anybody could be under the illusion that the French are losing their identity. I think that is their intention. They are as French as they were 50 years ago, and they will probably be more French 50 years from now. I don't think there is any fear on that point.

Immigration, of course, is a factor, but most of the immigration that has taken place is entirely unrelated to the enlargement of the European Union. It is immigration from North Africa or immigration from other countries that are not now in the European Union. As for the case of the mythical Polish plumber; the only conditions in which a Polish plumber could be doing plumbing in France would be illegally, because Poles don't have, as yet, complete freedom to enter to work in France. There are only three or four EU countries where the labor market restrictions that would eventually be lifted completely in 2008 have been lifted, and France is not one of those countries.

As far as the German election is concerned, nobody can say for sure how this would influence it, but I believe that the negotiations will commence. There will probably be several German elections that will come and go before those negotiations are finally completed. We just do not know what the conditions will be of Europe or of Turkey at the time the final decision is to be taken on actual membership, and that is the key decision. That has to come after, not before negotiation.

As far as Hamas is concerned, let me assure you that there is no contact within the European Union Commission and Hamas, no contact at all. I think there may be some low-level exploratory discussions with some people in some European countries with Hezbollah, but no contact with Hamas.

Mr. GALLEGLY. Mr. Ambassador, thank you very much. I was going to try to sneak in that question for Rob and to make sure he got an answer. Is that acceptable?

I want to thank both of you very much, particularly for your indulgence on all the extracurricular competition we had today. I know we will have an ongoing dialogue. We value your friendship.

The Subcommittee stands adjourned.

[Whereupon, at 3:34 p.m., the Subcommittee was adjourned.]

A P P E N D I X

MATERIAL SUBMITTED FOR THE HEARING RECORD

MATERIAL SUBMITTED FOR THE RECORD BY HIS EXCELLENCY JOHN BRUTON, HEAD
OF DELEGATION, DELEGATION TO THE EUROPEAN COMMISSION

EU-US DECLARATION ON ENHANCING COOPERATION IN THE FIELD OF NON
PROLIFERATION AND THE FIGHT AGAINST TERRORISM

1. Promoting international peace and security is of vital importance to the European Union and the United States. People all over the world should have freedom from fear and want and live in dignity. Societies have become more interconnected and more interdependent. And as the events of September 11, 2001 and March 11, 2004 show, the European Union and the United States have also become more vulnerable to threats which are more diverse, less visible, and less predictable.
2. Fighting terrorism and the proliferation of weapons of mass destruction, coupled with the risk that such weapons could be acquired by terrorists, remain our greatest security challenges. In this context, we recall the 2004 Dromoland Castle Declarations on Combating Terrorism and on the Non-Proliferation of Weapons of Mass Destruction, which still provide the framework for our cooperation. We are fully committed to strengthen and support the important role of the United Nations in assisting member states in combating both challenges.
3. We reaffirm our commitment to cooperate in our efforts to combat global terrorism in full respect of human rights, fundamental freedoms and the rule of law, and to address the underlying conditions that terrorists can seize to recruit and exploit to their advantage. We pledge to intensify our efforts to strengthen international cooperation to encourage the global and effective implementation of UN conventions and protocols on terrorism. We also work together with a view to adopting the Comprehensive Convention Against Terrorism. We broadly support the principles of the comprehensive counter-terrorism strategy as proposed by UNSG Annan at the Madrid Conference in March 2005.
4. Our bilateral cooperation extends to developing comprehensive and efficient border security processes, more secure travel documents, contacts between our law enforcement agencies and improved information-sharing abilities. We will reinforce and expand our cooperation in the fight against terrorist financing. We will continue to strengthen the abilities of our legal systems to prosecute terrorists and will enhance our judicial cooperation in criminal matters. We will also continue our work to enhance the capacities of other countries to combat terrorism.
5. We will further strengthen measures against the proliferation of weapons of mass destruction by state and non-state actors. In this context, we reaffirm our support for the Nuclear Non Proliferation Treaty and will continue to work together to strengthen it. We pledge to intensify our collaboration and coordination in promoting strict implementation of and compliance with relevant treaties, agreements and commitments on non proliferation. We will enhance the security of weapons-usable materials, facilities, and technology. We reaffirm also our willingness to work together to strengthen and universalise the disarmament and non-proliferation treaties and regimes that ban the proliferation of weapons of mass destruction and their delivery systems.
6. We will assist other states around the world to build stronger legal, regulatory, enforcement and other institutional capacity against proliferation. And we will work for more effective responses to address proliferation threats and prevent

or remedy non-compliance. Our shared commitment to address proliferation threats is reflected in the “EU–US Joint Programme of Work on the Non-proliferation of Weapons of Mass Destruction”.

7. We remain united in our determination to see the proliferation implications of Iran's advanced nuclear program resolved. Towards that end, we reconfirm our full support for the ongoing European efforts to secure Iran's agreement to provide objective guarantees that its nuclear program is intended for exclusively peaceful purposes. As those discussions proceed, we urge Iran to abide fully by the terms of the November 2004 Paris Agreement and by the November 2004 IAEA Board of Governors resolution, including the need to suspend fully and verifiably all enrichment-related and reprocessing activities. We reiterate the need for Iran to cooperate fully with IAEA requests for information and access, to comply fully with all IAEA Board requirements and resolve all outstanding issues related to its nuclear programme. Finally we call on Iran to ratify without delay the Additional Protocol and, pending its ratification, to act in accordance with its provisions.
8. We note with deep concern the DPRK's nuclear weapons program and its 10 February statement that it has manufactured nuclear weapons. The DPRK has clearly violated its commitments under the NPT and its IAEA safeguards agreement and other international nonproliferation agreements. The DPRK must comply fully with its non-proliferation obligations, and dismantle its nuclear weapons and nuclear weapons programs in a permanent, transparent, thorough, and verifiable manner. We stress that the Korean Peninsula should be free from nuclear weapons, the security and stability on the Peninsula be maintained and the nuclear issue be peacefully resolved through dialogue and negotiations. We fully reaffirm our support for the Six-Party Talks and believe this represents an important opportunity to achieve a comprehensive solution to the denuclearization of the Korean Peninsula.

EUROPEAN UNION AND UNITED STATES JOINT PROGRAM OF WORK ON THE NON-PROLIFERATION OF WEAPONS OF MASS DESTRUCTION

1. Proliferation of weapons of mass destruction (WMD) and their delivery systems continue to be a pre-eminent threat to international peace and security. This global challenge needs to be tackled individually and collectively, and requires an effective global response. We are fully committed to support in that respect the important role of the United Nations Security Council and other key UN institutions.
2. The European Union and the United States are steadfast partners in the fight against the proliferation of weapons of mass destruction, and will undertake several new initiatives to strengthen our cooperation and coordination in this important arena, even as we enhance our ongoing efforts.
3. *Building Global Support for Non-proliferation*: The European Union and the United States will enhance information sharing, discuss assessments of proliferation risks, and work together to broaden global support for and participation in non-proliferation endeavours. We will increase transparency about our non-proliferation dialogues with other countries to ensure, to the extent possible consistency in our non-proliferation messages.
4. We reaffirm our willingness to work together to implement and strengthen key arms control, disarmament and non-proliferation treaties, agreements and commitments that ban the proliferation of WMD and their delivery systems. In particular we underline the importance of the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), the Biological and Toxin Weapons Convention and the Chemical Weapons Convention. We will increase our effort to promote, individually or, where appropriate, jointly, the universalisation of these Treaties and Conventions and the adherence to the Hague Code of Conduct against the proliferation of ballistic missiles.
5. *Reinforcing the NPT*: The EU and the US reaffirm that the NPT is central to preventing the spread of nuclear weapons. The EU and the US stress the urgency to maintain the authority and the integrity of the Treaty. To that end, the EU and the US recommit to fulfil our obligations under the Treaty while working together in order to strengthen it. We will evaluate lessons learned from the 2005 Review Conference and continue to stress the importance of compliance with and universal adherence to the NPT.

6. *Recognizing the Importance of the Biological Threat:* The EU and the US will work together in advance of the upcoming BTWC-Review Conference in 2006, in order to strengthen the Biological Weapons and Toxin Weapons Convention.
 7. *Promoting Full Implementation of UNSCR 1540:* We will coordinate efforts to assist and enhance the work being done by the UNSCR 1540 Committee, and compliance with the resolution. We will work together to respond, where possible, to assistance requests from States seeking to implement the requirements set by the UNSC Resolution 1540 and in particular, to put in place national legal regulatory, and enforcement measures against proliferation.
 8. *Establishing a Dialogue on Compliance and Verification:* The European Union and the United States renew their call on all States to comply with their arms control, disarmament and non-proliferation agreements and commitments. We will seek to ensure, through regular exchanges, strict implementation of compliance with these agreements and commitments. We will continue to support the multilateral institutions charged with verifying activities under relevant treaties and agreements. We will ask our experts to discuss issues of compliance and verification in order to identify areas of possible cooperation and joint undertaking.
 9. *Strengthening the IAEA:* The EU and the US welcome the steps taken earlier this month by the Board of Governors of the IAEA that created a new Committee on Safeguards and Verification, which will enhance the IAEA's effectiveness and strengthen its ability to ensure that nations comply with their NPT safeguards obligations. We will work together to ensure all States conclude a comprehensive safeguards agreement and an Additional Protocol with the IAEA. We agree that the Additional Protocol should become a standard for nuclear cooperation and non-proliferation.
 10. *Advancing the Proliferation Security Initiative:* As we enhance our own capabilities, laws and regulations to improve our readiness for interdiction actions, we pledge to strengthen the Proliferation Security Initiative and encourage PSI countries to support enhanced cooperation against proliferation networks, including tracking and halting financial transactions related to proliferation.
 11. *Global Partnership:* The EU and the US reaffirm our commitment to the Global Partnership Initiative Against the Spread of Weapons and Materials of Mass Destruction. We will assess ongoing and emerging threats and coordinate our non-proliferation cooperation, including with other participating states, to focus resources on priority concerns and to make the most effective use of our resources.
 12. *Enhancing Nuclear Security:* We intend to expand and deepen cooperation to enhance the security of nuclear and radiological materials. We welcome the establishment of the Global Threat Reduction Initiative (GTRI) and will cooperate closely to implement this important new initiative, including by exploring opportunities under the GTRI to reduce the threat posed by radiological dispersal devices and by identifying specific radiological threat reduction projects that could be implemented.
 13. *Ensuring Radioactive Source Security:* We remain concerned by the risks posed by the potential use of radioactive sources for terrorist purposes. We will work towards having effective controls applied by the end of 2005 in accordance with the IAEA Guidance on the Import and Export of Radioactive Sources. We will support IAEA efforts to assist countries that need such assistance to establish effective and sustainable controls.
 14. *Rationalizing Multilateral Disarmament Work:* We will continue to cooperate in order to overcome the stalemate in the Conference on Disarmament and pursue reforming of the UN General Assembly's First Committee on disarmament and international security. These initiatives are part of our broader efforts to streamline and make the multilateral disarmament, arms control and non-proliferation machinery more responsive.
 15. The EU and the US take special note of the Conference to Consider and Adopt Amendments to the Convention on the Physical Protection of Nuclear Material (CPPNM) that will take place at the IAEA, July 4-8 2005, and we urge all States Parties to the CPPNM to attend and fully support adoption of an amended Convention.
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THE EUROPEAN UNION AND THE UNITED STATES WORKING TOGETHER TO PROMOTE
PEACE, PROSPERITY AND PROGRESS IN THE MIDDLE EAST

1. At our Summit in Dromoland last year, the European Union and the United States pledged our support to the governments and the peoples of the Middle East who have expressed their determination to meet the challenges of modernization, to advance political, social and economic progress, to strengthen democracy, and to respect and promote human rights. We offered this support in a spirit of partnership as well as respect and friendship.
2. Since then, we have strengthened our dialogue on our respective efforts towards promoting progress and stability in the Broader Middle East and the Mediterranean.
3. At the June 2004 Summit, we reaffirmed our commitment to a just, comprehensive, and lasting settlement of the Israeli-Palestinian conflict and our common vision of the co-existence of two states, Palestine and Israel, by the creation of an independent, democratic, and viable Palestinian state with contiguity in the West Bank living side by side with Israel and its neighbours in peace and security.
4. Since then, we have witnessed the successful election of a new leader by the Palestinian people. We are now at a moment of opportunity, and, with our partners in the region, we must seize it. In order to achieve and maintain a lasting peace, we recognize the importance of building a climate of mutual trust and cooperation between Israelis and Palestinians.
5. We endorse the May 9, 2005, declaration of the Quartet. We stress the importance of a complete and peaceful Israeli withdrawal from Gaza and parts of the northern West Bank in a manner consistent with the road map. We urge the parties to respect their commitments and to refrain from unilateral actions that could prejudice final status issues. We further pledge our full support to the mission of the Quartet's Special Envoy for Gaza Disengagement James Wolfensohn, and we will work with him and the parties to promote viable economic and social development.
6. We support the holding of free, fair, and transparent multi-party legislative elections in the West Bank, Gaza and East Jerusalem, under the 2 scrutiny of international observers and with full freedom of movement for candidates and voters, as another vital step forward on the path towards building a reformed and accountable Palestinian Authority.
7. We desire that the Israeli and Palestinian people live in a secure and stable environment. We affirm our support for the mission of General William Ward and will pursue in close coordination our respective efforts to assist the Palestinian security forces. As is required under the roadmap, there must be effective action against terrorism, dismantling of terrorist infrastructure, a freeze on all settlement activity, and dismantling of outposts.
8. The European Union and the United States share the objective of a peaceful, secure, democratic, and prosperous broader Middle East and Mediterranean region. With close to €3 billion annually in grants and loans from the EU and approximately \$2.2 billion in assistance and loan guarantees from the U.S., we are the major donors of assistance to the region.
9. Through our respective efforts, we seek to promote, in close cooperation with our partners, human rights and democracy, increased access to education and economic opportunities through modern and open societies, closer integration within the region and with the global economy. Our ongoing cooperation to promote peace throughout the region will help our partners to reap the full benefit of their efforts and our support.
10. We welcome the accomplishments of the Barcelona Process which were reviewed at the 7th Euro-Mediterranean Ministerial Conference in Luxembourg ahead of the 10th anniversary leaders meeting in November, as well as the U.S. Middle East Partnership Initiative, launched in 2002. We reaffirm our support for the G8's Broader Middle East and North Africa initiative. We welcome in particular the establishment of the Forum for the Future and look forward to its next meeting in Bahrain this autumn.
11. We have instructed our respective experts on the region to intensify their cooperation in order to strengthen further our support for reform and democratic development.

12. We welcome the successful elections that have recently taken place in Afghanistan, the Palestinian Territories, Iraq and Lebanon.
13. While notable progress has been made in a number of countries, significant challenges remain. We welcome the amendment to the Egyptian constitution as progress towards a more broadly-based representative government and encourage the Government of Egypt to play a leadership role by opening its forthcoming elections to international observers. In these, as in all other elections, we stress the importance of freedom of speech, freedom of association and unfettered access to the media, for all candidates.
14. We share the goal of a peaceful, united and stable Iraq and will continue our cooperative efforts towards this end. The confirmation of the Iraqi Transitional Government following the successful election in January represents an important landmark in the political reconstruction of Iraq. We condemn the terrorist acts of forces seeking to disrupt the lives of the Iraqi people and the political transition process.
15. Two days from today, at the request of the Iraqi Transitional Government, we will co-host a conference of nations to express international support for Iraq's political transformation, economic recovery, and reconstruction, and strengthening of public order and the rule of law, in accordance with UNSCR 1546 (2004). We have worked closely together to prepare for this important event and we will pursue these efforts in following up the Conference. Working with the Iraqi authorities, the UN, and other relevant actors, we will seek to contribute to the constitutional process and to support the elections which will take place on the basis of the new Constitution.
16. We recognize the withdrawal of Syrian military personnel from Lebanon as a positive first step toward Syria's compliance with UN Security Council Resolution 1559. We remain insistent that Resolution 1559 be implemented in its entirety, including the disarming of all militias, and the complete and full withdrawal of all Syrian intelligence operatives, as well as an end to interference in Lebanon's internal affairs. We reaffirm our full support for the United Nations' efforts towards these ends.
17. We urge full cooperation by all parties with the independent international commission of enquiry of the assassination of former Lebanese Prime Minister Rafiq Hariri, established by UNSCR 1595 (2005).
18. We welcome the events that have taken place this year in Lebanon in furtherance of the democratic process, including the recent elections. We recognize the inherent difficulties facing the new government and remain committed to working with the people of Lebanon to strengthen democratic institutions and promote peace and stability.
19. Once the Lebanese government has defined its reform agenda and should it so request, we will consider convening an international conference to consolidate support for the Lebanese people and the new government.

EU-US WORKING TOGETHER TO FIGHT AGAINST GLOBAL PIRACY AND COUNTERFEITING

Growing global piracy and counterfeiting threatens the competitiveness of innovative industries, the livelihoods of creative artists and workers, and the health and safety of consumers in the European Union, the United States and beyond. Driven by new technologies that make it easy to rapidly produce infringing goods in commercial quantities and by fraudulent organizations, including organized criminal syndicates, that use the Internet and global trading lanes to distribute and sell those goods worldwide, this illicit activity substantially deprives rights holders of a legitimate income from their ideas, designs, brands and inventions. According to the World Customs Organization (WCO), pirated and counterfeit goods account for roughly seven to nine percent of global trade, and customs seizures of intellectual property infringing goods at EU external frontiers and US borders have increased dramatically in recent years, with a 1000% increase in intercepted counterfeit goods by EU Customs between 1998 and 2004. The last five years saw a tripling of seizures of counterfeit goods by US Customs.

We are committed to working effectively to combat piracy and counterfeiting at home and abroad and recently have taken heightened measures to strengthen our respective IP enforcement efforts. In April 2004, the EU adopted a directive aimed at harmonizing enforcement of intellectual property rights, while in July 2004 a new Customs Regulation came into force which aims at improving mechanisms for cus-

toms action against counterfeit and pirated goods. In October 2004, the United States announced a Strategy Targeting Organized Piracy (STOP!) designed to reduce trade in pirated and counterfeit goods, dismantle criminal networks that traffic in fakes, and help small businesses secure and enforce their intellectual property rights. In November 2004, the European Commission adopted a strategy for enforcement of intellectual property rights in third countries. This strategy set out guidelines for the European Commission's actions towards a reduction of the level of intellectual property violations in third countries, using political dialogue and technical assistance.

To further the efforts noted previously and to strengthen cooperation on intellectual property issues to promote innovation and protect health and safety, the EU and the US will take the following actions:

1. Promote Strong and Effective Enforcement Internally and at our Borders.

- Promote and uphold laws, regulations and/or procedures which provide, where appropriate, for:
 - Customs authority to retain or suspend the release of suspected goods without the need for a formal complaint from a private party or right holder;
 - Strong deterrence against piracy and counterfeiting;
 - Judicial authority to seize suspected infringing goods;
 - Disposal and destruction, where appropriate, of pirated and counterfeit goods and equipment and materials used to produce such goods; and
 - Predictable and clear judicial proceedings and transparent policies and guidelines related to intellectual property enforcement; and ??Publish information related to our respective intellectual property enforcement actions, including relevant statistical information.

2. Strengthen Cooperation to Reduce Global Piracy and Counterfeiting.

- Include effective intellectual property rights protection and enforcement rules in our regional and bilateral agreements;
- Send a clear and consistent message to priority countries on the importance of effectively enforcing global intellectual property rules, and work together with those countries to secure commitments and implement actions to reduce piracy and counterfeiting levels, including through bilateral consultations;
- Make intellectual property rights enforcement a key focus of our trade capacity building technical assistance to third countries, and improve coordination of our respective efforts in this area with a view to avoiding duplication, and to exchanging best practices and lessons learned; and
- Establish informal mechanisms for IPR, customs, and law enforcement experts to exchange views on best practices in addressing piracy and counterfeit problems in third countries.

3. Foster Public-Private Partnerships to Protect Intellectual Property.

- Work with our respective private sectors to exchange information on the risks of global piracy and counterfeiting and best practices to secure and enforce their rights at home and abroad;
- Encourage our private sectors to take an active part in the fight against global piracy and counterfeiting and assist competent enforcement authorities as well as the WTO and WIPO in promoting the observation of international commitments in the field of intellectual property; and
- Promote the establishment and support the efforts of networks, associations and organizations of intellectual property rights holders in third countries.

ENERGY SECURITY, ENERGY EFFICIENCY, RENEWABLES AND ECONOMIC DEVELOPMENT

The European Union and the United States share a long tradition of working together to promote strong economic growth and improve energy security. We pursue this through such mechanisms as the International Energy Agency, the G-8 initiatives and the Bonn "Renewables 2004" Action Plan.

By working together the European Union and the United States intend to cooperate to promote sound energy policies, improve energy security and foster economic growth and development. We recognize the need for stronger actions to increase energy security and reduce the economic impact of high and volatile energy prices.

We recognize that one of the greatest needs for developing countries today is to provide the basic energy services necessary to lift their citizens out of poverty. We

believe that the advancement and deployment of technology can contribute to the solution of the problem. By developing clean, efficient, affordable energy technologies for the longer term, while continuing to improve and deploy the current generation of lower-emission technologies, we can help all nations, including developing countries, meet the energy needs of their people and grow their economies.

The European Union and the United States recognize the important potential that can result from further efforts. We will continue to address energy efficiency through effective policy measures and technology, and focus our efforts on achieving security of supply and helping the developing world to address energy challenges.

To further these objectives, the European Union and the United States will focus their activities in the following areas of common action:

- Working in partnership with developing countries to help them reduce poverty by promoting energy efficient policies and the use of renewable energy sources, as well as deploying advanced, efficient, affordable energy technologies to help meet their energy needs.
- Working together through the Carbon Sequestration Leadership Forum to foster the development and deployment of clean, efficient technologies, especially in key developing economies, as global reliance on fossil fuels, particularly coal, continues.
- Promoting our work on hydrogen technologies and the International Partnership for the Hydrogen Economy.
- Working together to ensure the continued safe operation of existing nuclear generation and to exchange experience on nuclear safety measures and control. We take note of the efforts of those states who will continue to use nuclear energy, to develop more advanced technologies that would be safer, more reliable, and more resistant to diversion and proliferation.
- Continuing work to advance all forms of renewable energy, and to promote the use of renewable and energy efficiency technology and policy measures, including promotion of energy conservation. As members of the Renewable Energy and Energy Efficiency Partnership (REEEP), we will place a greater emphasis on cost-effective energy efficiency opportunities.
- Working together to promote the development, deployment and adoption of cleaner, more efficient diesel vehicle technologies, including by seeking to better align our regulatory standards for diesel engines and fuels.
- Working through the international Methane to Markets Partnership to capture and use methane as a clean-burning energy source from coal mines, landfills and oil and gas systems.

THE EUROPEAN UNION AND THE UNITED STATES INITIATIVE TO ENHANCE
TRANSATLANTIC ECONOMIC INTEGRATION AND GROWTH

At the 2004 Dromoland Summit, we committed to finding ways to:

- further transatlantic economic integration,
- spur innovation and job creation, and
- realize the competitive potential of our economies.

We called on our businesses and citizens to join in a vigorous discussion and directed our senior officials to explore means to eliminate impediments to further economic integration and to develop a forward-looking strategy to enhance our economic partnership. We thank all who participated in our discussions and who contributed hundreds of written submissions and comments.

These consultations underscored that our citizens desire to have access to the widest possible range of goods and services while enjoying the protection of high public health, environment and safety standards. Stakeholders called for stronger collaboration between our regulatory authorities to minimize unnecessary regulatory divergences. They asked us to promote the efficient and safe flow of people and products across the Atlantic, stressed the benefits of further integration of our capital markets and called for protection of intellectual property rights. They asked us to facilitate investment, make progress on services, improve procurement opportunities, further cooperation in competition policy, and stimulate innovation and entrepreneurship in areas ranging from basic research to business start-ups, so that our businesses remain competitive in the global economy.

A Forward-Looking Agenda

By removing the impediments to trade and investment, increasing integration of markets, and enabling more dynamic private commercial activity, we seek to enhance economic growth and innovation across the Atlantic, make progress towards integration of the transatlantic market and strengthen our joint leadership in the global economy. We know this will be a multi-year effort and seek regular reports on progress. We are actively engaged in addressing many aspects of this work in the multilateral trade liberalization 2 negotiations of the World Trade Organization (WTO), and we support early and ambitious conclusions to Doha Development Agenda by the end of 2006. For this purpose and in order to fully realize the development dimension of this crucial WTO round, we re-iterate our utmost commitment to achieve by this year's Hong Kong Ministerial ambitious and balanced progress in the areas of market access for trade in industrial and agricultural products, services, as well as in the multilateral rule making agenda.

To expand economic opportunity, promote prosperity, and maintain the health and safety of our peoples, the European Union and the United States will work together to:

- promote regulatory cooperation and establish a high-level Regulatory Cooperation Forum;
- stimulate open and competitive capital markets;
- spur innovation and technological development by promoting cooperation in a wide range of areas, including research and development, space, education and exchanges, information and communications technologies, and health and medical technologies;
- enhance trade and transport security while facilitating the movement of people and goods;
- develop and help disseminate energy efficiency technologies;
- support effective protection and enforcement of intellectual property rights, at home and abroad, in line with the highest international standards;
- take measures to facilitate investment flows that contribute to sustained economic growth;
- explore ways to exchange certain confidential information in international competition cases;
- improve transatlantic procurement opportunities; and
- reinforce cooperation on services (mutual recognition of professional qualifications and aviation).

Initial work we will undertake is described in more detail in the Annex to this Declaration.

Ensuring Coordination and Measuring Success

We look to our senior levels of government to carry forward the tasks we have outlined in this Declaration. We encourage them to meet regularly with their 3 transatlantic counterparts to establish work programs, review progress, and advance areas of cooperation we have agreed on today. These work programs should be developed in the next six months and include objectives and timelines to help measure progress. Those responsible will report to leaders at each EU-US Summit on progress made under this initiative. Taking into account our strengthening global partnership, we will keep under continuous review the strategic priorities and structures of our dialogues to ensure they are fully adapted to meet the challenges ahead.

Promoting Legislative Cooperation

Recognizing the importance of our respective legislatures in furthering transatlantic integration, we encourage legislators on both sides of the Atlantic (including the Transatlantic Legislators' Dialogue) to meet regularly, notably to discuss economic policy issues and regulatory matters, with a particular focus on their potential transatlantic impact.

Continuing Stakeholder Consultations

Many of the ideas we are pursuing to promote transatlantic economic integration stem from the stakeholder consultation process launched at the 2004 Summit, and we will continue to consult regularly with stakeholders on both sides of the Atlantic, including through the Transatlantic Business Dialogue and the Transatlantic Consumers Dialogue.

THE UNITED STATES AND THE EUROPEAN UNION INITIATIVE TO ENHANCE
TRANSATLANTIC ECONOMIC INTEGRATION AND GROWTH

ANNEX

To implement the Declaration on Enhancing Transatlantic Economic Integration and Growth we will undertake the following:

Promoting Regulatory and Standards Cooperation

We recognize the importance of EU-US regulatory cooperation for the well-being of our citizens and commercial relations, and note the rich network of cooperative exchanges already underway. Our aim is to build effective mechanisms to promote better quality regulation, and minimize unnecessary regulatory divergences to facilitate transatlantic trade and investment and increase consumer confidence in the transatlantic market.

To achieve this we will encourage enhanced regulatory cooperation under the 2005 Roadmap for EU-US Regulatory Cooperation, including: establishment of a senior-level dialogue on best regulatory policies and practices; identification of resources and mechanisms to support exchanges for EU and US regulatory experts; and expansion of successful sectoral initiatives. We will further encourage dialogue on standards issues.

Further, we will establish a EU-US high-level Regulatory Cooperation Forum, through which senior European Commission, US and, where appropriate, other European Community regulators would be encouraged to exchange views, share experiences, and learn from each other regarding general or crosscutting regulatory cooperation approaches and practices of mutual interest. This forum is intended to complement the informal OMB-EC dialogue and separate sectoral regulatory cooperation activities between the European Commission and the US. We will continue to use the EU-US Financial Markets Regulatory Dialogue, referred to below, as the venue for financial regulatory discussions.

This informal mechanism should promote enhanced cooperation in line with the 2002 Guidelines for Regulatory Cooperation and Transparency and should also be the focal point for exchanges and discussion of annual regulatory work programs. Such a review could help identify additional prospective areas/priorities for EU-US regulatory cooperation, and facilitate early warning about possible divergent regulatory approaches.

Regulators should autonomously assess progress for ongoing cooperation activities and set objectives with specific actions to be achieved within the next year. The compilation of these plans, jointly agreed upon by European and US regulators, would constitute priorities for EU-US regulatory cooperation to be submitted annually at the EU-US Summit.

The forum should organize meetings and conferences on regulatory issues of mutual interest. To gain broader perspective, other regulators as well as representatives from academia, think-tanks, businesses, NGOs and other organizations will be invited to participate, as appropriate.

We look forward to annual updates on work in each of our many regulatory dialogues. We will consider the most appropriate instruments or approaches to advance our cooperation on a case-by-case basis, taking into account developments in regulatory cooperation.

Stimulating Open and Competitive Capital Markets

Dynamic capital markets are a catalyst for growth and innovation. Our aim is to increase the integration and efficiency of our respective capital markets and work together to make transatlantic financial markets operate seamlessly. To achieve this, we will continue to use the EU-US Financial Markets Regulatory Dialogue (FMRD) to (1) anticipate, identify and discuss financial regulatory issues, by continuing to review legislative and regulatory developments (including implementation and enforcement) and (2) promote progress on issues of concern to each other.

Among other areas, we will focus the discussion on: implementation and enforcement of financial market reforms; promoting convergence of accounting standards as soon as possible; removing barriers to further integration of clearing and settlement systems; encouraging competition among trade execution venues; promoting deeper and wider capital markets; making progress on deregistration reform and on insurance issues; making progress on adoption and implementation of Basel II; and taking steps to help build the transatlantic venture capital market.

The EU and the US share common concerns in the fight against corporate and financial fraud, money laundering, financing of terrorism, tax evasion, corruption and other malpractices. The Commission and Member States will work together with the US, as appropriate, to encourage adoption of the highest standards of

transparency, exchange of information and cooperation among competent authorities.

The EU and the US would also explore ways to improve our dialogue on macro-economic and structural issues of common interest in ways that complement discussions in other fora such as the G-7.

Spurring Innovation and the Development of Technology

The EU and the US will increasingly rely on innovation and advanced technologies to stimulate economic growth and prosperity. Our aim is to increase synergies across the Atlantic as we become more knowledge-based economies.

To achieve this, we will work to:

- encourage collaboration on long-term basic research within the context of the EU-US Science and Technology agreement, and develop exchanges of good practices concerning the policies needed to support science and innovation;
- promote cooperation using civilian space-based technologies for sustainable development, science/exploration, and deepening the knowledge society;
- support an international dialogue and cooperative activities for the responsible development and use of the emerging field of nanotechnology;
- renew and reinforce the EU-US agreement on Higher Education and Vocational Training, which includes the Fulbright/European Union program, to boost education cooperation and transatlantic exchanges between our citizens;
- encourage the commercial application of output from research, identifying cooperative actions to improve rapid commercialization, using, inter alia, incubator environments, venture capital and technology transfer;
- promote E-accessibility for the disabled, elderly and other citizens with accessibility issues;
- encourage deployment of key innovative technologies such as broadband and radio frequency identification devices, without prejudice to consumer and data protection;
- encourage collaboration on development and take up of Intelligent Transport Systems/ Telematics for intelligent vehicles;
- establish a dialogue on cyber-security to bring together regulators, law enforcement and, as appropriate, intelligence agencies;
- support OECD efforts to develop an approach to international redress for international internet purchases;
- cooperate to tackle spam through joint enforcement initiatives, and explore ways to fight against illegal “spy ware” and “malware;” and
- explore cooperative work on health and medical technologies.

Enhancing Trade, Travel and Security

Ensuring the security of people and goods in transit is fundamental to deepening the EU-US relationship. Our aim is to create a more secure and efficient transatlantic and global supply chain by developing and adopting effective, compatible security standards and customs benefits. We welcome progress made to secure the end-to-end supply chain under the 2004 EU-US Agreement on Enhanced Customs Cooperation. Our joint efforts contributed significantly to development of the World Customs Organization framework of standards for security and facilitation. We strongly support adoption of this framework by the WCO Council in June 2005, and are committed to its implementation. We will build on this progress to continue working toward avoiding adverse consequences for transatlantic shippers, including by working to ensure the compatibility of the EU's Authorized Economic Operator concept and the US C-TPAT Program. We also will seek compatible practices and standards to enhance air transport security and facilitate air cargo traffic. We agree to pursue measures to facilitate business and tourist travel, including consideration of a “trusted persons” initiative, and explore means to increase cooperation in research and development of security-related technologies. The EU and the US continue to support on-going discussions on reciprocal visa exempt travel for short-term stays for our citizens.

Promoting Energy Efficiency

The EU and the US will work together, to advance energy security, renewables, energy efficiency and economic development, as highlighted in the attachment to this Annex. We recognize the benefits that can result from sustained and coordinated policies on energy efficiency. We wish to support developing countries in their efforts to meet their basic energy needs by promoting sound energy policies and ap-

plying new, clean energy technologies. We will continue to work together to promote clean and efficient carbon sequestration technologies, all forms of renewable energy, and the next generation of hydrogen and other clean and safe energy technologies.

Protection of Intellectual Property Rights

Growing global piracy and counterfeiting threatens the competitiveness of innovative industries, the livelihoods of creative artists and workers, and the health and safety of consumers in the European Union, the United States and beyond. We are committed to effectively combating piracy and counterfeiting at home and abroad. The EU and the US will coordinate our respective efforts, as highlighted in the Declaration we have issued today. To enhance the effectiveness and efficiency of the patent system more generally, the EU and the US will work together to ensure progress in international fora.

Investment

Investment flows are a vital part of our transatlantic economic relationship, with bilateral direct foreign investment standing at nearly \$2 trillion and growing by the day. To further promote economic growth, jobs, competitiveness and consumer benefits, we undertake to facilitate transatlantic investment opportunities to the fullest, including by providing efficient, comprehensive and easily accessible information on investment regimes and policies to attract investment, with a special focus on informing small and medium enterprises. We agree to discuss any significant remaining obstacles to transatlantic investment that the other party identifies, and will consider how to address and reduce such obstacles with a view to promoting closer transatlantic economic integration.

Competition Policy and Enforcement

As our economies have become ever more intertwined, the enforcement of competition laws by authorities on one side of the Atlantic increasingly has consequences for the other jurisdiction. The European Commission and US competition authorities cooperate intensively under the 1991 and 1998 agreements, coordinating enforcement activities and exchanging non-confidential information. To further enhance this cooperation, our authorities will explore ways to allow them to exchange certain confidential information, including with respect to international cartels.

Procurement

The European Union and the United States recognize the benefits of open and competitive procurement markets. The EU and US should reinforce their co-ordination and co-operation with a view to fostering progress in plurilateral negotiations on government procurement, both via the GPA and via expansion of GPA membership. In addition, taking into account progress in other fora, notably the GPA, both sides will consider how to go beyond existing and future GPA commitments at the EU-US bilateral level. This could include enhancing the use of electronic procurement on both sides.

Services

We should continue cooperation on aviation issues, including safety, security and liberalization, including achievement of a comprehensive first-step EU-US air services agreement as soon as possible. Such an agreement would unlock substantial benefits by providing valuable new business opportunities, to the benefit of EU and US airlines, airports, tourism, business links, cargo transport and consumers.

Mutual recognition of professional qualifications can facilitate the movement of professionals, encourage greater opportunities, and foster competition in the services sector. We encourage competent authorities on both sides to look into the mutual recognition of professional qualifications, notably in sectors where economic interest or need has been substantiated by suppliers and/or users of professional services, such as is the case in the field of architectural services.

DEMOCRACY, FREEDOM AND HUMAN RIGHTS

The European Union and the United States Working Together to Promote Democracy and Support Freedom, the Rule of Law and Human Rights Worldwide

The European Union and the United States believe that the spread of accountable and representative government, the rule of law, and respect for human rights as enshrined in the Universal Declaration of Human Rights, are a strategic priority as well as a moral necessity. We will continue to work together to advance these priorities around the world.

The work of the United Nations is central both to democracy and human rights. We welcome the proposals put forward by Kofi Annan to renew the UN's commitment and enhance its effectiveness in these areas. Specifically, we value the UN Secretary General's initiatives for reforming the UN human rights mechanisms and for creating a Peace building Commission. We pledge to support the establishment of the UN Democracy Fund to assist countries in strengthening civil society and democratic institutions.

We express our admiration and pledge our support for all those engaged in the defense of freedom, democracy and human rights, in many cases at great personal risk.

We are encouraged by the efforts of many governments to open their societies and political systems. Recognizing that democratic reform is a process that deserves our support, we promise our solidarity and support to those promoting democracy around the world, be it in Ukraine, Georgia, Kyrgyzstan, Lebanon, Iraq, Afghanistan, or elsewhere. We will continue to support pluralism and the development of civil society, and will encourage the political participation of women and minorities.

Free and fair elections are central to democracy. We congratulate the many thousands of citizens who have participated in organizing and observing elections in their own countries and abroad. We pledge to support the work of the United Nations in assisting in the organization of elections and will work together in multilateral fora to further strengthen international election standards and to spread the implementation of objective and fair election assessment mechanisms. We support the principles of impartially-conducted and transparent election administration and observation and commend the efforts undertaken by various regional organizations such as the OSCE or civil society in this context. We will continue to support the holding of free and fair elections in countries undergoing or desiring democratic transitions, including in Afghanistan, Haiti, DRC, Iraq, and in the Palestinian territories.

Democracy is not just a matter of elections; it must be anchored in democratic institutions, separation of powers, human rights, the rule of law, tolerance, good governance, and justice. Our assistance to third countries increasingly takes into account the need to sustain democracy in all these dimensions.

We have worked closely to create a Europe whole, free, and at peace; both the EU and NATO have played an important part in this, and continue to do so. We are confident that the reform process in the Balkans will further the region's successful integration into Europe. The European Neighborhood Policy and U.S. support for democratic and economic transitions will contribute further to stability, prosperity and partnership. We will in particular continue to coordinate our efforts to promote democracy, the rule of law and respect for human rights in Belarus.

We are witnessing a growing desire for reform in the Middle East and welcome recent democratic developments. Democratic elections in the Palestinian territories, Iraq, and Lebanon have successfully taken place. We recognize the importance of transparent and fair elections and the need to expand freedom and opportunity across the region. We reaffirm our commitments made at Dromoland and Sea Island, and our support for the Forum for the Future and other elements of the G-8 BMENA Initiative. Recognizing that the threat of conflict can undermine democratic reforms, we commit ourselves to support those who are working for the resolution of conflicts, in the Middle East and elsewhere.

We have both encouraged the growth of democratic institutions in many countries in Asia, Africa, and Latin America. We acknowledge the important contributions by regional and multilateral organizations, as well as initiatives such as the Community of Democracies, to promote democracy and respect for fundamental human rights.

We recognize that differences in history, culture and society mean that the paths taken towards democracy and the rule of law will be different and that the systems of government that result will be varied, reflecting local traditions and preferences. Democracy, while it is based on universal values, will not be uniform. However, the desire for justice, freedom, human rights, and accountable and representative government is universal. In the long term, only systems responsive to the wishes of the people they govern can achieve political stability.

EU-US DECLARATION

WORKING TOGETHER TO PROMOTE PEACE, STABILITY, PROSPERITY, AND GOOD GOVERNANCE IN AFRICA

1. We remain committed to combining and accelerating our efforts in support of Africa and its leadership, while acknowledging its ownership of present and future African development.
2. We share the same belief that solidarity is an essential principle that should guide our action and that we, together with all other members of the international community, have an obligation to assist African efforts in the quest for peace, stability, democracy and prosperity. We share the same objectives with poverty eradication as the primary aim of our relations with the developing world and we therefore undertake to increase our efforts to assist Sub Saharan Africa in its efforts to achieve sustainable economic growth and reach the internationally agreed goals contained in the Millennium Declarations.
3. We share the same hope built on the realisation that today there is an environment and leadership in much of Africa with a genuine commitment to better governance and a new resolve to take care of Africa's own conflicts.
4. We are working to support Africa's efforts to expand peace and security across the continent. In this context, we welcome that an increasing number of African nations are committing themselves to holding democratic elections, thereby paving the way for more representative government. Improving respect for human rights and governance, consolidating democratic processes and reforming the security sector are central prerequisites for development. African nations are undertaking increased efforts to resolve conflicts and have achieved important progress in establishing their own security structures through the African Union and its Peace and Security Council as well as at the sub-regional level.
5. Together we have been working to strengthen the African Union and other regional organisations that aim to improve stability in Africa and we are collaborating on the G8/African Union action plan to enhance capacity for peace support operations. We are committed to continue to assist African peace support operations as the EU has done through its African Peace Facility and contributions from its Member States and the US through the Global Peacekeeping Operations Initiative by increased contributions to enhance the Peace Support Operations capacity and support for ongoing operations in Africa.
6. The African Union/NEPAD have provided Africa with an ambitious vision and strategy for the 21st century. We will work closely with the African Union as a key political interlocutor in our relations with Africa.
7. The African Union and the sub-regional organisations have decisively assumed responsibility and leadership for resolving many of the armed conflicts that for so long have marred the continent. We are prepared to contribute to these efforts through:
 - Supporting broad and inclusive processes of implementing the comprehensive peace agreement in Sudan, capable of reconciling and accommodating the aspirations of all sectors of society and all regions of the country, while ensuring that the fight against impunity from violations of international humanitarian law and human rights law is sustained. To end the continuing violence and suffering of hundred of thousands in Darfur is an immediate priority. We reaffirm our strong support for the AU leadership in resolving the crisis and urge the parties to commit themselves wholeheartedly to resolve the conflict peacefully and engage constructively in the AU-sponsored negotiations in Abuja.
 - Reaffirming our continued support to the Somalia reconciliation process and assisting the Somali people and institutions, in their efforts to re-establish stability and governance. We are also committed to support efforts to resolve the border stalemate between Ethiopia and Eritrea. Both processes have much to contribute towards stability, development and security in the strategic region of the Horn of Africa.
 - Combining support for stability in the Great Lakes region, including through the disarmament of armed groups, Security Sector Reform in the Democratic Republic of Congo, assistance in the organisation of the coming democratic elections in Burundi and the DRC and international observation thereof, and participation aimed at a successful outcome of the International Conference

on the Great Lakes region. We have instructed the Joint Contact Group to continue to work together in order to address the problems in the region.

- Continuing to support a regional approach to peace and security in West Africa, with a view to enhancing conflict management in ECOWAS and particularly by supporting United Nations and African efforts to consolidate transition processes in Côte d'Ivoire, Liberia, Sierra Leone and Guinea-Bissau and encouraging national reconciliation in Togo.
8. Effective and well-governed states are critical to a peaceful and secure environment and protecting human rights; encouraging transparent and accountable public management and private sector growth delivering essential services and allowing resources to be used effectively. We will support the African Peer Review Mechanism as an important tool for peer learning and reforms it will trigger at the country level.
 9. The EU and the US note with deep concern the continuing governance and human rights crisis in Zimbabwe, which has led to a near breakdown of the economic situation of one of the most promising economies in Africa and caused huge flows of Zimbabweans to flee to neighbouring countries. We call upon the Government of Zimbabwe to reverse anti-democratic policies and to open a genuine dialogue with all stakeholders. We also note that serious food shortages are looming in Zimbabwe, and we stand ready, as in the past, to assist the Zimbabwean people with food aid and other humanitarian assistance.
 10. Life expectancy is increasing in every continent except Africa, where it has fallen for the last 20 years. HIV/AIDS, malaria and tuberculosis continue to affect too many people in Africa. We are committed to continue our support for the Global Fund for AIDS, TB and Malaria. We recognise the importance of education and gender equality for life expectancy and agree to intensify efforts in this regard.
 11. We commit to work together to address both the immediate needs and the underlying causes of natural disasters and complex emergencies which plague the continent, including through collaboration on the assessment process, to ensure that needs are identified in an accurate and timely fashion, that assistance is appropriately targeted and arrives in time to save lives. Together, we commit to urgently increasing both our funding and engagement in these humanitarian emergencies.
 12. To ensure a longer-term solution to the problem of famine and poverty in Africa, we will work with AU/NEPAD to support implementation of its Comprehensive African Agricultural Development Plan, which will help expand production and market opportunities, enhance agricultural productivity, and thus reduce the risk facing Africa's poorest farmers. We further commit to support AU/NEPAD's efforts to increase regional economic integration in Africa as an important element of efforts to increase agricultural productivity, open our market to allow African exports to enter duty free until 2015 and, in this regard, will undertake efforts to promote accession of African countries to the WTO.
 13. These commitments require resources. These should come from many sources, as set out at Monterrey, including increased foreign direct investment, trade, remittances, public aid and private charitable contributions. We recall the responsibility of developing countries for their own development through good governance, the rule of law, and sound policies, and the crucial importance of national ownership for development strategies. We stand ready to increase our financial assistance to Sub-Saharan Africa to meet urgent needs, promote development and economic growth, reinforce sound policies and good governance and support their efforts towards meeting the Millennium Goals.
 14. In today's globalised world, developments in one continent often have immediate and far-reaching repercussions on life in other continents. Peace, stability and better economic prospects for all people in Africa are therefore in the interest of Americans and Europeans alike. The long road towards sustainable social, political, and economic development in Africa is a road that Africa should not be left to walk alone.

EU-US DECLARATION ON THE 60TH ANNIVERSARY OF THE SIGNING OF THE
SAN FRANCISCO CHARTER.

1. Sixty years ago, on June 26th, 1945 the San Francisco Charter creating the United Nations was signed. Born out of the desire "to save succeeding generations from the scourge of war, which twice . . . has brought untold sorrow to mankind" (Preamble of the Charter of the UN), the United Nations has ever since provided the framework for the nations of the world to strive for peace and security, prosperity and international cooperation based on respect of international law. We salute the groundbreaking work accomplished six decades ago by the authors of the Charter and we rededicate ourselves to the noble principles and values embodied in this fundamental text.
2. Today, the world faces threats and challenges, both old and new, which can only be addressed in common, based on a spirit of cooperation, shared institutions, and a rule-based international system as exemplified by the United Nations.
3. True to the inspiration of the San Francisco Charter, the nations of the world are called to define a new international consensus on the ways and means to manage together the burning questions of our time. In this respect, the High Level Event on Millennium Review in September of this year provides an opportunity to assess the implementation of the commitments of the Millennium Declaration and the results of the major UN Summits and Conferences.
4. It also offers the occasion for the international community to promote the emergence of a United Nations better oriented towards the threats and challenges of our time, more responsive to the needs of its members and more efficient and effective in the way it operates.
5. The European Union and the United States share the objective of such a renewed United Nations and are willing to cooperate closely in order to contribute to a balanced and ambitious outcome of the September High Level Meeting. They share, *inter alia*, the perspective that the interlinked dimensions of peace and security, human rights, rule of law, democracy, and development need to be addressed coherently, within more efficient and transparent institutions and procedures.
6. Satisfactory solutions need to be found in the crucial areas of terrorism and proliferation of weapons of mass destruction. The creation of a properly configured Peace building Commission can provide useful and timely guidance for the management of post-conflict situations.
7. Achieving the development goals of the Millennium Declaration will require significant additional resources, which should come from many sources, as set out at Monterrey, including increased foreign direct investment, trade, remittances, public aid and private charitable contributions. Developing countries will need to make concerted efforts in their own development through good governance, the rule of law, respect for human rights and sound policies that promote sustainable development and empower individuals to participate more fully and freely in economic activity. We underline the importance of national ownership for development strategies. We stand ready to increase our financial assistance to countries with good governance and sound policies and transparent, ambitious and accountable strategies to achieve long-term economic growth and reach the internationally-agreed development goals in the Millennium Declaration.
8. The strengthening and mainstreaming of the dimensions of human rights, rule of law and democracy should be achieved, *inter alia*, through the creation of a new, effective and credible Human Rights Council and the establishment of a UN Democracy Fund.
9. The improvement of the overall performance of the UN system will imply major reforms in the budget and management areas, including accountability and oversight mechanisms
10. On these issues as well as on other questions that will be on the agenda of the High-Level meeting, the US and the European Union will consult closely in the weeks and months to come in order to contribute to a successful and substantive outcome in September.

2005 ROADMAP FOR U.S.–EU REGULATORY COOPERATION

The United States and the EU have highlighted at past U.S.–EU Summits the increasing importance of improved regulatory cooperation between U.S. and European Commission authorities for a strong transatlantic relationship. Stakeholders on both sides of the Atlantic have called upon the governments to expand and deepen these activities. In many cases U.S. and European Commission regulators already have active and constructive expert dialogues—and substantial cooperation is underway. Yet there remains much work to be done to better realize the mutual benefits of more extensive and effective U.S.–EU regulatory cooperation.

In June 2004, the United States and European Commission issued the Roadmap for U.S.–EU Regulatory Cooperation to provide a framework for cooperation on a broad range of important horizontal and sectoral areas. Implementation of the 2002 U.S.–EU Guidelines on Regulatory Cooperation and Transparency and the Regulatory Cooperation Roadmap have yielded good progress in a number of regulatory areas, but the scope for potential cooperation is far broader. Our objective is to build upon successful regulatory dialogues and promote effective cooperative mechanisms. For each policy context identified, we will consider the most appropriate instruments to advance cooperative work, while also reflecting lessons learned from past experiences. We aim to promote better quality regulation, minimize regulatory divergences, increase consumer confidence, and facilitate transatlantic commerce, while respecting the regulatory autonomy of each party.

This 2005 Roadmap outlines a range of proposed cooperative initiatives that the United States and the European Commission intend to advance in the coming year—both specific sectoral activities, as well as horizontal initiatives to address cross-cutting matters. This work will evolve as each side continuously examines areas of mutual interest for regulatory cooperation, and considers input from interested transatlantic stakeholders. Further information about a number of these cooperative activities is available at: <http://www.ustr.gov/World-Regions/Europe-Mediterranean/Europe/Section-Index.html> and <http://europa.eu.int/comm/enterprise/enterprise-policy/gov-relations/international-regul-coop-eu-us/index.htm>

I. REGULATORY COOPERATION: HORIZONTAL INITIATIVES

A. OMB–EC Dialogue:

Establish an informal dialogue led jointly by the U.S. Office of Management and Budget (OMB) and the relevant services of the European Commission to discuss general regulatory policies and practices of mutual interest. This dialogue could include relevant regulatory authorities in the U.S. Government and the European Commission, as appropriate. This dialogue will address, subject to mutual agreement, such topics as good regulatory practices, transparency provisions and public consultation, impact assessment methodologies, and risk assessment methodologies. Through such exchanges, U.S. and European Commission officials will gain an enhanced understanding of each other's regulatory practices, which could encourage compatible regulatory practices and tools.

B. U.S.–EU Experts Exchange Program:

Identify resources and mechanisms to promote exchanges of U.S. and European regulatory experts in specific areas/projects of mutual interest that otherwise cannot be funded through existing regulatory agency budgets. In the short-term, the United States could leverage existing programs such as the State Department's International Visitor Program and the Fellowship of Hope program. The European Commission will explore availabilities within its existing mechanisms. Over the longer-term, funding should be sought to support a fund dedicated to U.S.–EU personnel exchanges. To maximize support for the creation of such a program, it should be promoted as a cross-cutting initiative to enhance the transatlantic economic relationship.

II. REGULATORY COOPERATION: SECTORAL ACTIVITIES

*1. Pharmaceuticals**1.1 Human medicinal products*

Objective: Cooperation between the U.S. Food and Drug Administration (FDA), DG Enterprise and Industry/Pharmaceuticals Unit and the European Medicines Agency (EMA) on matters related to ensuring the safety, quality, and efficacy of pharmaceutical products.

Progress/Results: In the past year, FDA, DG Enterprise and Industry and the EMA substantially enhanced their regulatory dialogue and expanded their ex-

change of information and data on pharmaceuticals. Facilitated by the FDA–DG Enterprise and Industry–EMEA confidentiality arrangement signed in 2003, our authorities concluded in September 2004 an Implementation Plan for Medicinal Products for Human Use under which they have promoted scientific personnel exchanges and joint meetings; shared respective draft guidance documents on a variety of issues, including drug safety issues, adverse reactions, drug manufacturing quality and policy issues. Under the Implementation Plan, FDA and the EC also initiated a pilot program to support parallel scientific advice on pharmaceuticals. FDA, DG Enterprise and Industry and EMEA continue to collaborate effectively on the harmonization of technical requirements for registering pharmaceuticals through the International Conference on Harmonization (ICH).

Next Steps: FDA, DG Enterprise and Industry and EMEA will proceed with the broad range of robust cooperative work outlined in the Implementation Plan, including sharing of regulatory and inspectional information, scientific exchanges, and parallel scientific advice. The FDA and EMEA have also started cooperation in a new area of parallel advice—pharmacogenomics. FDA, DG Enterprise and Industry and EMEA will consider additional issues for possible cooperation.

1.2. Veterinary medicinal products

Objective: Enhance the existing regulatory dialogue between the FDA and the European Commission and the European Medicines Agency (EMA), building upon ongoing cooperative activities in the International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Products (VICH).

Next Steps: The FDA and the European Commission and the EMA will cooperate, where appropriate, on: 1) harmonized guidelines for regulatory requirements where significant differences exist among VICH members; 2) the global response to significant emerging issues and science that impact on regulatory requirements within VICH regions and/or adopted VICH guidelines; and 3) promotion of consultation and communication mechanisms that result in wider international awareness and acceptance of VICH guidelines. FDA leads US activities on all matters except for the veterinary biologics activities led by USDA.

2. Automobile Safety

Objective: Cooperation between the U.S. National Highway Traffic Safety Administration (NHTSA) and DG Enterprise and Industry/Automobile Unit in areas of automobile safety regulations.

Progress/Results: Under the NHTSA–DG Enterprise and Industry regulatory dialogue established by a June 2003 exchange of letters, we have agreed to pursue regulatory cooperation on safety of hydrogen fuel cell vehicles and vehicle compatibility. Our authorities are discussing other possible topics.

Next Steps: Develop agreed workplans for these regulatory cooperation projects and proceed with implementation. Consider additional topics that may be suitable for cooperation, such as future collision mitigation technologies, electronic stability systems and harmonisation at the global level of dummies used in side-impact crash tests. Discuss ways to promote a science-based approach to global technical regulations under the United Nations 1998 Agreement.

3. Information and Communications Technology Standards in Regulations

Objective: Cooperation between the U.S. Department of Commerce and DG Enterprise and Industry and DG Information Society on the use of information and communication technology (ICT) standards in accordance with the Terms of Reference established in March 2004.

Next Steps: Develop work plans and time tables for the topics identified under this dialogue. Initial projects under this dialogue include information exchange on e-accessibility, security, and biometrics.

4. Cosmetics

Objective: Cooperation between the U.S. Food and Drug Administration (FDA) and DG Enterprise and Industry/Cosmetics Unit regarding: (a) alternative (i.e., non-animal) testing methods; (b) respective regulatory approaches applied in the areas of hair dyes and sunscreen ingredients (UV filters); and (c) other projects of mutual interest.

Progress/Results:

- General regulatory cooperation in the field of cosmetics: FDA and the EC have re-energized cooperation in cosmetics and certain over-the-counter drugs harmonization activities under the Cosmetics Harmonization and International Cooperation (CHIC) process. The last meeting took place in March 2005, where new terms of reference to guide future cooperation were developed and approved. In the framework of CHIC, FDA and DG Enterprise have exchanged extensive information on our respective regulatory systems, safety concerns, and alternative test methods, including the discussion on the establishment of a rapid alert system to exchange data on adverse reactions
- Alternative methods to animal testing: The U.S. Interagency Coordinating Committee on the Validation of Alternative Methods (ICCVAM) and the European Centre for the Validation of Alternative Methods (ECVAM) are collaborating closely on the development and validation of alternative test methods to animal testing for cosmetic ingredients.

Next Steps: The cooperation on the development of alternative methods needs further strengthening through bilateral contacts with the aim of mutual acceptance of alternative methods. FDA and DG Enterprise and Industry will continue to discuss other important issues in the field of cosmetics regulation, such as cosmetics labelling, standardized labelling for sunscreens and the regulation of hair dyes in the framework of bilateral meetings and within the multilateral CHIC-process, which has proven a valuable multilateral forum for discussion.

5. *Consumer Product Safety*

Objective: Cooperation between the U.S. Consumer Product Safety Commission (CPSC) and DG SANCO in association with DG Enterprise and Industry regarding the safety of consumer products.

Progress/Results: CPSC and DG SANCO launched a senior-level dialogue and signed an exchange of letters in February 2005 to implement mutually agreed Guidelines for Information Exchange intended to strengthen bilateral communication and to improve U.S and EU consumer health and safety protection.

Next Steps: Building on the Guidelines for Information Exchange, develop an agreed implementation plan for a program of specific cooperative projects to be pursued in the area of consumer product safety, which might include the exchange of rapid alerts.

6. *Consumer Protection Enforcement Cooperation*

Objective: Develop mutual assistance mechanisms in the field of cross-border consumer protection enforcement cooperation. Build on the existing informal dialogue between the European Commission/DG SANCO and the U.S. Federal Trade Commission (FTC) in the ways foreseen by article 18 of Regulation 2006/2004 on consumer protection cooperation (CPC), including through the possible establishment of a EU/US mutual assistance agreement.

Next Steps: Congress has considered, and the Senate has passed, legislation mirroring the CPC provisions on cross-border consumer protection enforcement. Upon passage of such legislation, a Recommendation of the European Commission endorsing the negotiation of an agreement with the US could be proposed to the Council.

7. *Unfair Commercial Practices*

Objective: Establish regulatory dialogue between the FTC and DG SANCO on unfair commercial practices. This dialogue will aim at increasing convergence in this area.

Next Steps: DG SANCO to present the recently adopted Directive on unfair commercial practices to the FTC and compare it with U.S. federal law on unfair practices.

8. *Nutritional Labeling*

Objective: Cooperation between FDA and DG SANCO on issues of mutual interest in the field of nutritional labelling.

Progress/Results: Experts from FDA and DG SANCO are engaged in discussions on regulatory issues relating to health claims, nutrition labeling, fortification, supplements, and infant formula. Specific areas under discussion include: 1) possible collaboration on the EU's Estimated Average Requirement (EAR)

and the U.S. Recommended Daily Allowances (RDA) for nutrients; and 2) cooperation on food labels.

Next Steps: Identify specific activities for cooperation on technical issues such as reference values for nutrient labeling, nutrient definitions, and energy conversion factors. Pursue a confidentiality arrangement to facilitate the sharing of non-public information in this subject area.

9. Food Safety

a.1. Objective: Cooperation between the U.S. Food and Drug Administration (FDA), DG SANCO and DG Enterprise and Industry on broad range of food safety issues of mutual interest.

Progress/Results: In mid-2004, FDA and DG SANCO launched bilateral discussions aimed at: (a) understanding better our respective food safety systems; (b) building confidence; and (c) exploring new ways to accomplish food safety goals and regulatory cooperation projects of mutual interests. Senior officials at FDA and DG SANCO have conducted a number of productive meetings to advance this cooperative work. FDA and SANCO experts have identified specific regulatory cooperation projects in the areas of seafood and dairy. FDA and DG SANCO concluded an exchange of letters in June 2005 to facilitate the sharing of non-public data/information.

Next Steps: Identify additional specific regulatory cooperation projects and specific information to be shared.

a.2. Objective: Cooperation between DG SANCO and the U.S. Department of Agriculture (USDA) Food Safety Inspection Service (FSIS) on legislation concerning meat and meat products.

Progress/Results: In September 2004, FSIS, FDA and DG SANCO had a seminar aimed at understanding better our respective food safety systems related to meat and meat products with particular regard to Hazard Analysis and Critical Control Point (HACCP). The meeting was successful and the main goal was reached. However it appeared evident that the two systems, although based on the same principles, are still different for important points.

Next Steps: Continue the discussion between FSIS and SANCO in order to explore how to concretely pursue equivalence between the respective HACCP based control systems for meat and meat products.

b. Objective: Cooperation between FDA and the European Food Safety Authority (EFSA) on food safety issues, including information sharing on risk assessments.

Progress/Results: FDA and EFSA have initiated a cooperative regulatory dialogue and are pursuing a confidentiality agreement to facilitate the sharing of non-public information and data. FDA is assisting EFSA in the development of a strategy for the conduct of microbial risk assessments.

Next Steps: Conclude an arrangement between FDA and EFSA to facilitate the sharing of data/information.

c. Objective: Establish new regulatory dialogue between the USDA, EFSA and DG SANCO in order to provide greater transparency regarding each side's development of risk assessments for animal, plant, and consumer safety.

Next Steps: Establish informal dialogue between USDA and EFSA with discussions targeting risk assessments methodologies and identifying possible areas for further discussion and sharing of information.

10. Marine Equipment

Objective: Consistent with the objectives of the U.S.-EC Marine Equipment MRA, enhance the regulatory dialogue between the U.S. Coast Guard (USCG) and DG Energy and Transport and DG Trade assisted by the European Marine Safety Agency (EMSA) aimed at increased convergence of U.S. and EU technical regulations for marine equipment.

Next Steps: USCG and EC to develop an agreed workplan for pursuing regulatory cooperation bilaterally and in the International Maritime Organization (IMO) aimed at achieving equivalent U.S. and EU technical regulations for specific marine equipment and expanding the product scope of the U.S.-EC Marine Equipment MRA.

11. *Eco-Design*

Objective: Cooperation between the U.S. Environmental Protection Agency (EPA) and DGs Energy and Transport, Environment and Enterprise and Industry in the area of eco-design of energy-using products at the appropriate technical level.

Next Steps: EPA and the EC to explore possibilities to share experience on respective approaches relative to: the eco-design of energy-using products (EuP), Integrated Product Policy (IPP), restrictions on hazardous substances (RoHS) and waste from electrical and electronic equipment (WEEE). Consider other activities that may be of interest for further information exchanges.

12. *Chemicals*

Objective: Pursue informal cooperative dialogue, in the spirit of the U.S.–EU Guidelines on Regulatory Cooperation, between the U.S. Environmental Protection Agency (EPA), DG Environment, DG Enterprise and Industry and DG Health and Consumer Protection and relevant agencies on chemicals related issues of mutual interest.

Progress/Results: The U.S. EPA hosted the 2nd transatlantic environment conference on chemicals which addressed the EU's proposed REACH (Registration, Evaluation and Authorization of Chemicals) legislation, the globally harmonized system (GHS) for the classification and labeling of chemicals, pollution prevention techniques, access to information and genomics. EPA hosted EC experts on its approach to the risk assessment of new chemicals and integrated QSAR modeling programs. Further exchange of experience and training programmes could be explored for respective staff. The U.S. EPA and the European Commission are also collaborating in the OECD framework on the development of the Global High Production Volume (HPV) chemicals information Portal.

Next Steps: The EC and United States will continue to dialogue on the development of the Global HPV Portal.

13. *Energy Efficiency*

Objective: Building upon the existing cooperative dialogue between the U.S. Environmental Protection Agency (EPA), U.S. Department of Energy and the European Commission's DG Energy and Transport, engage on a broad range of energy efficiency issues of mutual interest.

Next Steps: The United States and EC will build on the Energy-Efficiency Labeling Programs for Office Equipment ("Energy Star") to encourage energy efficiency while retaining the philosophical basis and market-focused approach of the existing program. This program currently covers computers, monitors, printers, fax machines, copiers, scanners, and multi-function devices. Both parties are currently considering the conditions for renewing the Energy Star Agreement.

This year, and into next, the U.S. and the EC will cooperate on revising the specifications for imaging equipment (printers, copiers, scanners, fax machines, mailing machines, and multifunction devices) and computers. The intention of these revisions is to make the specifications more stringent, such that ENERGY STAR qualified models represent the top performers in the market without a sacrifice in features or performance.

14. *Telecommunications and Radiocommunications Equipment, Electromagnetic Compatibility*

Objective: Building on existing regulatory dialogues between the U.S. Federal Communications Commission (FCC) and the European Commission, and the U.S.–EC Mutual Recognition Agreement (MRA), pursue enhanced cooperation on regulatory approaches in the areas of telecommunications, radiocommunications equipment and electro-magnetic compatibility.

Next Steps: The FCC and EC to consult on regulatory developments in our respective markets and consider cooperative approaches for achieving consistent regulatory treatment of telecommunications and radiocommunications products whenever possible.

15. *Medical Devices*

Objective: Enhance the existing regulatory dialogue between the FDA and DG Enterprise and Industry and DG Trade on medical devices, building upon ongoing cooperative activities in the Global Harmonization Task Force (GHTF) and consistent with the objectives of the U.S.–EC MRA annex on medical devices.

Next Steps: FDA, the Office of the U.S. Trade Representative and DG Enterprise and Industry and DG Trade to discuss implementation of the U.S.–EC MRA annex on medical devices and develop an agreed approach for bringing the MRA annex into operation. In the context of the Global Harmonization Task Force (GHTF), our regulatory authorities will promote cooperative activities, including the preparation of guidance documents and compatible regulatory approaches for medical devices.

